

NEWS ANALYSIS/David Landau

Ties with Egypt: Cold or warm?

Is there an "improved new atmosphere" in Israeli-Egyptian relations of late? Cabinet sources said yesterday there is. And it was also disclosed that President Hosni Mubarak is expected to send a special envoy to Prime Minister Peres shortly.

Peres last night told a meeting of Hadassah women in Jerusalem that he has invited Mubarak to meet with him on Israel's border with Egypt, and that Israel would like to "warm up" the relations between the two countries.

But other government officials in Jerusalem counselled caution. They said there had been nothing in recent Israeli-Egyptian exchanges to warrant hopes of a radical improvement in the relationship.

Each of these differing assessments cited the conversations last week between Ambassador Moshe Sasson in Cairo and top Egyptian policymakers. Sasson met with Prime Minister Kamel Hassan Ali and with Foreign Minister Esmat Abdel Meguid.

The sources said "the impression is that something is moving," in positive direction in the relationship. They said Meguid appeared to have been encouraged by Israel's positions on Lebanon.

The officials said the ambassador's meetings, while conducted in a friendly atmosphere, had basically been a reiteration of positions by the two sides. They said Vice-Premier and Foreign Minister Yitzhak Shamir had conveyed this cautious impression in his report to the cabinet yesterday on the ambassador's talks.

They said that an exchange of special envoys between Mubarak and Peres, if it materializes, would certainly be something of a "gesture" by the Egyptian leader towards the new prime minister. But it need not portend a substantive shift, they warned. There had been such exchanges in the past, which had not produced any breakthrough in the "cold peace."

This disparity of assessments seems to reflect a deeper difference of attitude and approach between Peres and Shamir towards the relationship with Egypt.

Peres is plainly eager for an early breakthrough, predicated on the change of government in Israel, the new government's liberalization measures on the West Bank, its Lebanon policy, and its desire to enter into the legal process of conciliation regarding the Tabat border dispute.

These are the three issues which Egyptian leaders have repeatedly

cited as the cause of the "freeze-over" in the relationship.

For Shamir, this linkage of the relationship with Egypt to other policies of the previous government is naturally unpalatable.

But the concern over Peres's energetic approach extends beyond the foreign minister himself. Seasoned foreign service officials are worried lest a too hasty pace backfire.

They note - and Peres's aides and advisers are aware of this too - that Egypt's primary preoccupation at this time is with the Arab world moderates.

This could be cause for caution and restraint in Israel's overtures, in the view of many experienced Israeli officials.

Caution and restraint are required, they believe, both in regards to Tabat and in regards to Peres's uncooled desire for a summit meeting with Mubarak. They urge that any concessions or interim proposals on Tabat be carefully thought out and tentatively put forward - so that Israel is neither rebuffed nor bought off too cheaply.

In the Peres camp there is - perhaps inevitably at this still-early stage of the unity government - a

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Moda'i: 'New shekel' in the works

By AVI TEMKIN
Post Economic Reporter

The Treasury and the Bank of Israel plan to introduce a "new shekel" in the near future, Finance Minister Yitzhak Moda'i said yesterday.

Speaking to reporters in Jerusalem, Moda'i said there has been no final decision on the matter or on a date for its implementation.

He said the replacement of the shekel will be only a technical action designed to "bring down zeroes" as a means of easing the pressure on overcrowded computers, which are unable to handle the large figures resulting from Israel's inflation.

The minister also said the target of the economic package deal is to bring the monthly inflation rate down to around 6 percent by February. But he warned that this goal will be achieved only if government spending is further slashed and some government functions abolished.

Moda'i said the only way to prevent a price explosion in February when the price freeze expires, is to reduce purchasing power both the government's and the public's. The time the cuts in the budget will entail dismissing workers "to ensure that the money slashed is not returned to the various ministries through the back door," he added.

Moda'i said that during the three-month package deal and price freeze, he may seek changes in the original accord if "distortions arise." He added that such revisions will need the approval of the other partners to the agreement.

The ministry cautioned that there are signs of a recession, although they are not connected to the package deal. He said the government will be ready to prevent "acute unemployment areas."

Moda'i stressed that he will be prepared to grant government aid only where the needed sums are

small and the benefits to the economy large.

"Ata is a good example of what I mean. We are prepared to grant the firm a respite but not to grant it a long-term solution based on government funds," he said.

Moda'i forecast that by February the workers' real wages will be similar to their level at the beginning of November.

He admitted that in "some extreme cases," young couples paying back house mortgages will find it almost impossible to cope with this expenditure. He is confident that in such case "the Jewish heart will find a solution."

Moda'i hinted at a possible future clash between himself and Prime Minister Peres over the Defence Ministry budget. Referring to Peres's position that a further cut in the defence budget is not possible, Moda'i said that "it adds to my worries."



Abie Nathan (at right in top photo) supervises distribution in Ethiopia last week of food and supplies he brought from Israel. In bottom photo, starving Ethiopian children wait to be fed.

Nathan back from Ethiopia with stories of horror

By MICHAEL YUDELMAN
Jerusalem Post Reporter

One million children in Ethiopia's drought-stricken areas are expected to die either of famine and disease, or of digestive complications from the food they receive. This was stated yesterday by Peace Ship owner Abie Nathan on his return from a week's visit to northern Ethiopia.

While millions in the north are suffering from hunger, disease, and exposure, Ethiopia's capital, Addis Ababa has luxury hotels and shops bursting with food, delicacies and expensive drinks and items for tourists, Nathan said.

Nathan announced he is creating a foundation to raise funds for Ethiopian children. The foundation will

seek help from Jews through the world.

Nathan said he believes only part of the food and other aid pouring into Ethiopia will reach the needy. Much will find its way to other countries for political reasons, and some aid money will be spent on alcoholic beverages and jewelry for the ruling classes, he claimed.

Nathan, who donated \$5,000 to the Ethiopian Relief Rehabilitation Commission, was allotted a small airplane and a photographer by the authorities to visit the afflicted areas. Nathan reached Ala Mate, a town where 50,000 hungry people had assembled in the hope of getting food.

(Continued on Page 7)

Defence sources on Nakoura: 'We'll be patient about talks — but not forever'

Post Diplomatic Correspondent

If the Lebanese delegation turns up for the military talks at Nakoura on Wednesday - it will find the Israeli officers waiting. This was stated by high defence officials yesterday who stressed that Israel would not "play games" with Lebanon regarding the talks aimed at working out security arrangements for an Israeli pullback.

The officials spoke in response to unconfirmed reports from Beirut that Lebanon's suspension of the talks - following Israel's arrest of an Amal Shi'ite militia leader and three of his men in Sidon - would extend only through today's scheduled meeting. The reports indicated the Lebanese side would appear for Wednesday's session.

The defence sources warned, though, that Israel's readiness to resume the talks is obviously not unlimited. If the Lebanese suspension were maintained for too long, Israel would have to consider other alternatives, they said.

This appeared to be an oblique reference to Israel's ideas for a partial IDF pullback if the talks with Lebanon (and the parallel indirect talks with Syria) remain bogged down or fail to produce a withdrawal-and-security accord.

Israel signalled publicly to the Amal movement yesterday that if it pledged to cease its terrorist attacks on the IDF, an accommodation would be found for Mahmoud Fakih, the Sidon Amal leader, and the other three detained men.

But Israel made it clear that failing an Amal undertaking the IDF would continue hunting down terrorists and suspected terrorists in the occupied zone. The primary consideration, defence officials said, has to be the safety of IDF troops.

The two middlemen in the Israel-Lebanon-Syria talks, UN senior aide

(Continued on Page 2, Col. 5)

Katyusha fired at southern Golan area

Jerusalem Post Reporter

A 107-millimetre Katyusha rocket was fired yesterday morning towards the southern Golan Heights region where the Syrian and Jordanian borders meet with Israel's. No one was hurt.

It is unclear whether the rocket was fired from behind the Jordanian or the Syrian lines.

Two Katyushas were fired from Jordanian territory into the Jordan Valley two weeks ago. The IDF regards the shooting of Katyushas from the Jordan border area as grave, sources said.

Soldier wounded in Lebanon

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. - An Israeli Defence Forces soldier was critically wounded yesterday when an army convoy passing through the village of Sarafand south of Sidon came under light arms fire.

He was given first aid on the spot and then flown to Rambam Hospital in Haifa.

Sarafand is a Shi'ite village known for its religious extremism and hospi-

tal to terrorists. IDF troops put up roadblocks after the incident and conducted searches.

Reuters, reporting from Sidon, said that about 1,500 demonstrators yesterday protested in Sidon against the continued Israeli detention of four senior Shi'ite Muslim officials.

It was the third consecutive day of demonstrations in the Sidon suburb of Harret Seida where Israeli troops on Thursday arrested the four officials of the Shi'ite Amal militia.

Cabinet to Soviets: Free Jewish activists

By ASHER WALLFISH
Jerusalem Post Reporter

The Soviet government's persecution and arrests of aliya activists must stop, the cabinet resolved yesterday at its weekly session.

Aliya activists must no longer be hindered and harassed in their teaching and study of Hebrew. Their applications to leave the country and immigrate to Israel must be granted, the cabinet resolved.

This was the outcome of the cabinet discussion, postponed for a fortnight, and held following a recent series of desperate appeals from aliya activists in the Soviet Union who have lately been feeling increasingly harsh pressure from the authorities. This has been expressed in the confiscation of Hebrew textbooks; the legal and physical harassment of Hebrew teachers; and the break-up of classes.

The cabinet resolved that the government and people of Israel identify themselves with the struggle of Soviet Jewry in all its manifestations.

The formation of a committee of ministers for absorption will enable the cabinet to carry on the practical handling of the many problems affecting Soviet aliya in a smaller forum where the advice of experts can be better used.

The chairman of the World Zionist Organization, Arye Dulzin, who was invited to the cabinet session, suggested that the cabinet resolution also refer to the problem of Soviet Jews who drop out on the way to Israel and make their homes elsewhere.

Dulzin's idea was not accepted, however, since the consensus of ministers was that any public resolution designed to mobilize Israel's friends around the world to put pressure on Moscow had to have a positive thrust and not contain any points which could enable the Soviets to sidetrack the issue.

The new committee of ministers on immigrant absorption will have as one of its tasks to consider ways, whereby the dropout phenomenon might be reduced if aliya from the Soviet Union resumes.

According to some reports, Prime Minister Peres had been asked to raise the question of the U.S. granting refugee status (and therefore entry papers) to Soviet Jewish aliya dropouts with Secretary of State George Shultz while on his visit to Washington last month. It transpired that Peres did not raise the matter with Shultz.

Dulzin complained to the cabinet that major Jewish bodies like HIAS

(the Hebrew Immigrant Aid Society) had boosted the proportion of Soviet dropouts by their intensive activities in Europe, their generous aid to the dropouts, and their assurances to the Soviet Jews among whom they worked in Vienna and Rome, that U.S. authorities would welcome them and ease their absorption process in every way.

Absorption Minister Ya'acov Tsuri, in an interview after the cabinet session, said as Israel is a free country, it could not compel anybody to go anywhere. His implication was that no application would be made to the U.S. to deny refugee status to the dropouts. However, Tsuri said that ways would be sought, in the spheres of organization and information, to reduce dropout "when the gates reopen."

Tsuri said: "Jewish organizations in the West have harmed aliya in the past. The Jewish Agency and the World Zionist Organization will initiate contact with these organizations."

Tsuri said that all members of the cabinet had expressed concern about the dropout phenomenon. "But it's hard to talk about dropouts when there is no aliya from Russia," he added.

Peres said that the subject of

Soviet Jewry must be placed on the agenda for talks between the super-powers.

Concluding the first cabinet meeting on Soviet Jewry in many years, Peres said the entire nation must be enlisted in the effort to save Soviet Jews.

"Our main object is to let Soviet Jews know we will not tire of working for their cause," Peres said.

Also yesterday, the Council of the Chief Rabbinate called on all enlightened nations and people to work for the rescue of Soviet Jewry.

The cabinet also decided at its meeting yesterday to set up the following committees of ministers:

- On symbols and ceremonies, chaired by Deputy Premier and Education Minister Yitzhak Navon.
- On road safety, chaired by Transport Minister Haim Corfu.
- On immigrant absorption, chaired by Absorption Minister Ya'acov Tsuri.
- On foreign service appointments, chaired by Foreign Minister Yitzhak Shamir.

The cabinet appointed Gad Aviner as director-general of the Ministry of Police and Zvi Zilker as director-general of the Ministry of Labour and Social Affairs.

Four killed on roads

Four people were killed and 28 were injured yesterday in five road accidents.

In the collision of a car and a truck near Kibbutz Gadot, two young men



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were killed and an IDF sgan-aluf was injured.

One soldier was killed, and three hurt, in an accident near Kiryat Malachi. The dead man was identified as Shmuel David, 23, of Ashkelon.

An infant girl was killed in a crash at the Givat Junction near Ashkelon. Her parents and two sisters were seriously injured.

Fifteen people were hospitalized in Safad after a crowded pick-up truck collided with a car near the Amiad Junction in Galilee.

In an accident near Moshav Shefer, five persons were hurt.

Minister of Transport Haim Corfu said yesterday that the new cabinet panel on road safety would meet soon.

EIGHT PAGES
FROM SUNDAY'S
The New York Times
THE WEEK IN REVIEW
INSIDE TODAY

Probe into stowaway case to get under way tomorrow

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. - The investigation into the circumstances surrounding the case of the Tanzanian stowaway who was forced to leave an Israeli ship in March, 1982 is to begin tomorrow.

Dan Hiram, chairman of the Israel Shipping Research Institute board, was appointed by Transport Minister Haim Corfu to head the team probing the incident, which came to light last week.

According to the report, which was revealed to the daily Hadashot by a crew member of the m.s. Moran, the ship's master, Capt. Avner Gilad, forced the stowaway onto an improvised raft after he was discovered on board shortly after the ship's departure from Dar es-Salaam. The Moran is owned by the Kibbutz Meuhad's Tarshish shipping company, and the 57-year-old Gilad is a member of the movement's Kibbutz Nahsholim.

It was learned that Gilad registered the incident in the official ship's log in such a fashion that it did not attract the attention of the

Transport Ministry's superintendent in Eilat, who examined the log.

The entry reportedly read "left Dar es-Salaam. A stowaway was discovered. We put him down on the coast of Mozambique."

Gilad declines to comment on the incident. But his friends and fellow kibbutz members, are convinced that his version will throw a different light on the case and vindicate him.

Zamir: Crackdown on illegal money exchange

Jerusalem Post Reporter

Black-market activities in foreign currency have got out of hand, Attorney-General Yitzhak Zamir said yesterday.

Zamir, in an announcement, said that police today will begin a crackdown on illegal foreign-currency dealers on the streets of various cities.

He said that the law provides for jail terms of up to three years and fines of up to IS2m for offenders.

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AMSTERDAM	10	15	10	Cloudy
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COLOGNE	10	15	10	Cloudy
FRANKFURT	10	15	10	Cloudy
GENOVA	10	15	10	Cloudy
LONDON	10	15	10	Cloudy
MILAN	10	15	10	Cloudy
MONTREAL	10	15	10	Cloudy
NEW YORK	10	15	10	Cloudy
PARIS	10	15	10	Cloudy
ROME	10	15	10	Cloudy
ST. LOUIS	10	15	10	Cloudy
TOKYO	10	15	10	Cloudy
ZURICH	10	15	10	Cloudy

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THE WEATHER

Forecast: Partly cloudy, with chance of showers.

	Yesterday's	Yesterday's	Today's
	Humidity	Min-Max	Max
Jerusalem	60	11-16	18
Golan	52	8-18	19
Nablus	56	10-15	17
Safed	56	10-15	17
Haifa Port	56	10-15	17
Tiberias	40	13-25	22
Nazareth	53	13-20	21
Afula	70	10-22	23
Shomron	60	11-18	19
Tel Aviv	53	15-22	22
B-Q Airport	53	15-22	22
Jericho	38	14-24	26
Caesarea	54	14-23	24
Be'er Sheva	51	11-21	23
Eilat	34	15-26	27

SOCIAL & PERSONAL

Prime Minister Peres briefed Hadasah's Golden Wreath Society of major donors last night at Jerusalem's King David Hotel. Hadasah President Ruth Popkin presided.

Minister without Portfolio Moshe Arens and MK Simcha Diniz spoke at an open forum of the Israel Academic Committee on the Middle East, held at the Hebrew University yesterday.

A study mission of the British Friends of the Hebrew University completed a three-day visit to the university yesterday, meeting with president Don Patinkin and deans of the faculties. The mission was led by John Sacher and Michael Gee of London.

A cornerstone-laying ceremony for the Marcus Family House was held yesterday at the Weizmann Institute of Science, Rehovot. The building, which will house both young scientists and pensioned scientists, was named for contractor and builder Adolph Marcus of France, Switzerland and the U.S. The ceremony was attended by Mr. and Mrs. Adolph Marcus, Mr. and Mrs. Steve Marcus, representatives of the institute's board of governors and members of the faculty. Among those who spoke were institute president Michael Sela, institute board of governors chairman Lord Sieff of Brimpton and executive council chairman Moshe Porath.

The Sir Charles Clore Prize was awarded yesterday to the Aharon Katzir-Katchalsky Centre by Vivien Clore Duffield at a ceremony at the Weizmann House in Rehovot. Prof. Ephraim Katzir accepted the prize on behalf of the centre. On the same occasion, Ms. Clore Duffield presented 12 Sir Charles Clore post-doctoral fellowships, which were accepted by Prof. Izchak Steinberg, director of the post-doctoral programme. The president of the institute, Prof. Michael Sela, was in the chair.

The Norman Snow post-doctoral fellowship, established in his memory by his parents, Mr. and Mrs. Eric Snow of London, was presented yesterday at a ceremony at the Weizmann Institute in Rehovot. The president of the institute, Prof. Michael Sela, was in the chair.

Shecharansky now in Ural labour camp

JERUSALEM (AP). - Anatoly Shecharansky, serving a 13-year sentence for anti-Soviet activities, has been transferred to a labour camp in the Ural mountains and his family is concerned for his health, his wife Avital said yesterday.

After a telephone conversation with Shecharansky's brother Leonid in Moscow, Avital said that Anatoly was last known to be in Perm, an administration centre for a network of mountain labour camps on November 6.

His failure to write three weeks after his arrival is "very worrying. The trip from prison can be very difficult," his wife said.

Ecumenical Institute for Theological Research

TANTUR PUBLIC FIGURE IN ENGLISH

Thursday, November 15, 1984

By Dr. Paul Van Buren

"JESUS CHRIST AS SHALOM BETWEEN CHRISTIANS AND JEWS"

In the auditorium of the Ecumenical Institute at Tantur commencing at 4.30 p.m. Tea will be served from 3.45 p.m. onwards.

Ample car parking space at Tantur. Buses 22 and 30 stop outside the main gate.

Located at the junction of Hebron Road with the two lane road to Gilo.

44565-16-221

HOME AND WORLD NEWS

Teachers' strike seen spreading to more towns

By D'VORA BEN SHAUL
Jerusalem Post Reporter

Strikes in secondary schools spread yesterday and as of this morning high schools in Yokne'am, Bnei Brak and Ramle are to be struck as well.

Teachers in Tel Aviv, Kiryat Ata, Nahariya, Kiryat Shmona, Beit Shemesh and Emek Hefer have been striking since late last week because their salaries, transferred by the Education Ministry to local authorities at the beginning of the month, have not yet been paid.

Hanna Marom, spokeswoman of the Histadrut's teachers union, told *The Jerusalem Post* yesterday that teachers are adamant in maintaining their declared position. Those who are paid will return to work.

Nor was there any development concerning high schools in M'rar, Judeida, Umm el-Fahm, Kfar Yasif and Rama. Schools there are still closed after 4½ weeks since teachers have not been paid either their September or October salaries.

Tel Aviv's kindergarten teachers will not return to work today, having been told that they cannot yet be paid. Kindergartens in Petah Tikva and Bnei Brak are also to be struck, and in kindergartens where the teacher has been paid but the assistant not, children will be sent home at 11 a.m. without lunch.

The Education Ministry spokesman said yesterday that although the ministry deplores the closure of schools, there is no way it can intervene in the matter since all the local authorities were given the funds for teachers' salaries on the first of the month.

The central council of local authorities said yesterday that the ministry is not transferring monies for teachers' salaries as a separate item, as provided by law. This, the council said, causes technical difficulties in paying teachers.

Trade deficit drops 21%

By AVI TEMKIN
Post Economic Reporter

Israel's trade deficit totalled \$2.4 billion during the first 10 months of this year, 21 per cent less than the deficit for the same period last year, the Central Bureau of Statistics reported yesterday.

But the figures for October were less favourable than the cumulative figures for the other months. According to the bureau, the trade deficit last month was \$260 million, 2 per cent more than in September.

The deficit for 1984 is still considerably lower than in 1983.

According to the figures, the monthly average of imports of goods over exports for July to October was 10 per cent less than the level for the first half of 1984.

The figures also showed that during the first 10 months, imports totalled some \$6.8b., 3 per cent less than the total for the similar period in 1983.

Nevertheless, after excluding seasonal factors, the monthly average of imports - 5.5 per cent of the average for the first half of the year and 1.5 per cent above the average for the second half of 1983.

Three dead, 12 injured in latest Beirut battles

BEIRUT (AP). - Sniper fire and occasional rocket-propelled grenade exchanges persisted in and around Beirut yesterday, and the police said the weekend casualty toll stood at three dead and 12 wounded.

Police said the three were killed and six wounded in artillery and mortar duels overnight in the hills overlooking the capital between the Lebanese Army garrison at Souk al-Gharb and Druse militiamen in neighbouring villages.

Police said six people were wounded in sniper fire and grenade exchanges, between Christian and Moslem militiamen in Beirut's "Green Line," which splits the capital into a Christian-eastern and a Moslem western sector.

The hostilities have forced the Lebanese Army to close several road crossings between East and West Beirut.

Syrian Vice-President Abdul-Halim Khaddam held talks in Damascus yesterday with Sh'ia leader Nabih Berri on the Beirut situation, but no details were announced.

Druse leader Walid Jumblatt was in the Syrian capital for meetings Saturday, when Syrian President Hafez Assad also conferred for four hours with Lebanese Shi'ite religious leader Sheikh Mohammed Hussein Fadallah.

Though both Berri and Jumblatt are in the Lebanese cabinet, they have resisted a Syrian-backed security plan to widen the Lebanese government's authority.

Arafat confirms PNC meet

TUNIS (Reuters). - Palestine Liberation Organization chairman Yasser Arafat has confirmed that a long-delayed session of the Palestine National Council, the Palestinian parliament-in-exile, will begin in Amman on November 22. PLO officials in Tunis said yesterday.

Arafat announced the date at a meeting here over the weekend of PLO officials and senior leaders of his dominant Fatah terrorist group, they said.

In Damascus, however, George Habash's popular front for the Liberation of Palestine rejected Amman as the venue and said a PNC meeting now would harm efforts to heal a split within the PLO.

U.S. envoy meets with Mubarak

CAIRO (Reuters). - President Hosni Mubarak and U.S. Assistant Secretary of State Richard Murphy had a 70-minute session yesterday which Murphy said afterwards covered "regional, international and bilateral issues."

The U.S. envoy declined to give reporters further details, but the two are assumed to have discussed prospects for peace in the Middle East.

Foreign Minister Esmat Abdel Maguid said after talks Saturday night with Murphy that he hopes the U.S. will reactivate the peace process and assume its responsibility on this issue.

Murphy, who flew in from Baghdad on Friday, has also visited Syria, Jordan, Saudi Arabia and Israel. He has been sounding out parties to the Middle East conflict on ways of achieving peace in the region.

Soviet, U.S. planes on display in Egypt

CAIRO (Reuters). - Egypt brought together its Soviet-made MiG-21 and U.S. F-16 jets for an aerobatics show during Air Force Day celebrations at the Belbeis base near Cairo yesterday.

President Hosni Mubarak, a former air force pilot, attended.

The Egyptian Middle East news agency (Mena) said the show featured flights for the first time in Egypt by the French Mirage 2000 fighter and the Brazilian Tucano trainer, which is to be assembled here under agreement with Brazil.

Egypt is also holding an international exhibition of weapons systems.

Civil administration demolishes 30 shacks

Judea and Samaria civil administration workers yesterday demolished 30 illegally built tin shacks in Jiflik in the Jordan Valley.

Agricultural workers in the region had erected the shacks as temporary living quarters. Administration workers said the settlement was a health and security hazard.

The administration destroyed 30 tin shacks last week, and now only 20 remain on the site. The owners of the 20 shacks have also been served demolition orders. (Iim)

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Garbage builds up in Tel Aviv yesterday, before municipal workers called off their strike. (Rivke Pinder)

Calls for combating Zionism-racism motion

By GREER FAY CASHMAN
Vice-Premier and Foreign Minister Yitzhak Shamir yesterday declared that the government of Israel and the World Zionist Organization are becoming increasingly aware of the need "to develop special counter-measures" to combat the impact of UN Resolution 3379 which equates Zionism with racism.

The resolution was adopted by the UN General Assembly on November 10, 1975. There were 72 votes in favour, 35 against and 32 abstentions.

Most of the speakers at yesterday's symposium on "Refuting the Zionism-Racism Equation" at Beit Hanassi noted that anti-Zionism has since become a euphemism for anti-Semitism.

Shamir said Israel's diplomatic missions abroad are studying the repercussions of the resolution in the countries to which they have been accredited.

It is clear from the dossier of accumulated reports, Shamir continued, that in most countries, including those of the free world, "anti-Semitism and anti-Zionism exist hand-in-hand and often these two terms are now inseparable and interchangeable."

U.S. Senator Daniel Patrick Moynihan, who was ambassador to the UN when the resolution was adopted, commented that as far as he was aware, yesterday's symposium was the first formal meeting to inquire into the origins, consequences and aftermath of the resolution.

Citing a series of resolutions taken by various international forums, Moynihan described "the salami tactic" employed in the delegitimization of Israel. "It all starts with the question - are you legitimate and what further crimes have you committed? Then you don't have a name or a capital."

America had managed to slow some of the anti-Israel activities in the UN Moynihan disclosed, by threatening to leave if certain manipulations continued. "But there's a limit to the degree that we can just leave," he concluded, "because you leave them in control."

Father Benjamin Nunez, who was Costa Rica's ambassador to the UN, and subsequently his country's envoy in Israel, declared that "we come here to become more conscious of the ominous meaning of an act of darkness by a world organization which betrayed the very purpose of its existence, which was to promote peace among the nations."

He charged that the resolution "undermines the *raison d'être* of the State of Israel and presents an ultimate challenge to non-Jews and the *raison d'être* of democracy."

The arguments which had been advanced in 1975, said President Chaim Herzog, who in 1975 had been Israel's ambassador to the UN, "hold water now." Nunez, added Herzog, had spoken more prophetically than he knew when he insisted that comparing Zionism with racism was a calumny against the Jews and a return to the old anti-Semitism.

Uzi Narkiss, chairman of the WZO Information Department, noted that "this is a good beginning for the campaign against anti-Zionism."

Berlin's mayor says that Germans can't ignore past

Jerusalem Post Reporter

Governing Mayor of Berlin Eberhard Diepgen said yesterday that even younger Germans must assume responsibility for their entire history and cannot escape the dark chapters of Germany's past.

It would be more convenient if Germans could choose only chapters such as the era of tolerance under Frederick the Great during which Jews attained their emancipation, but they must keep asking themselves how the terrible things that happened could have been perpetrated in a city like Berlin, the 42-year-old governing mayor stated.

Diepgen was speaking at a luncheon reception given in his honour by Jerusalem Mayor Teddy Kollek at the Israel Museum, shortly after visiting Yad Vashem where he was confronted by a lone demonstrator holding a sign that said: "Berlin was the capital of Nazi Germany."

Having visited here first over 12 years ago, Diepgen complimented Kollek on the progress which is evident in Jerusalem and thanked him for having expressed the hope that, like Jerusalem, Berlin may also be united again one day.

Diepgen is on a three-day visit during which he will be received by President Chaim Herzog and Knesset Speaker Shlomo Hilel.

Diepgen yesterday met with Prime Minister Peres, who emphasized Berlin's importance as a barometer for West-East relations.

He became governing mayor of Berlin as the Christian Democratic Union candidate several months ago when his predecessor Richard von Weizsäcker was elected president of the Federal Republic. He faces an election next March when he will be challenged by Social Democratic Party leader Hans Appel, defence minister under Helmut Schmidt. (Picture - Page 3)

'Crystal Night' marked

Hundreds of high-school pupils from the Jerusalem region yesterday attended Yad Vashem ceremonies commemorating "Kristallnacht."

Nazis in Germany and Austria on November 10, 1938 set ablaze 800 synagogues and burned religious books on the streets.

The pupils also participated in a memorial ceremony for Holocaust victims.

Druse remember Tyre dead

BEIT JANN (Iim). - The Druse community here yesterday commemorated the Druse soldiers who died in the Tyre explosion of October '82 and in the terrorist attack on an army base in Tyre in November '83.

Deputy-Premier David Levy represented the government in the ceremony. After the ceremony 30 Druse students received study grants.

Eight men from Beit Jann died in the two Tyre catastrophes.

Ministers to discuss NII payments

Jerusalem Post Reporter

The Ministerial Economic Committee on Wednesday will debate Labour Minister Moshe Katzav's demand that National Insurance Institute payments be kept at their October level in real terms.

Katzav expressed his concern at yesterday's cabinet meeting that the NII pensions will lose their value over the coming months.

TA workers back on job as Lahat finds money

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. - Ten thousand municipal employees here are to resume regular work today, after Mayor Shlomo Lahat managed to obtain bank loans to pay their salaries.

Other local authority strikes are expected to end today as well, as representatives of the government and authorities meet to find a lasting solution to the latter's continuing financial plight.

Tel Aviv's firefighters, hospital workers and garbage collectors returned to work last night and by this morning the city's streets should be clear of the 2,000 tons of garbage accumulated during the strike.

It was learned that Discount and Hapoalim banks agreed to lend Lahat the workers' wages after he personally promised to return the loans within a short time. Bank Leumi last week credited workers banking with it in the sum of their wages, but the other two banks refused and the strike erupted.

Meanwhile, representatives of 400 municipal workers in Hod Hasharon yesterday threatened a walkout if they do not get their wages by Thursday.

Three dead, 12 injured in latest Beirut battles

BEIRUT (AP). - Sniper fire and occasional rocket-propelled grenade exchanges persisted in and around Beirut yesterday, and the police said the weekend casualty toll stood at three dead and 12 wounded.

Police said the three were killed and six wounded in artillery and mortar duels overnight in the hills overlooking the capital between the Lebanese Army garrison at Souk al-Gharb and Druse militiamen in neighbouring villages.

Police said six people were wounded in sniper fire and grenade exchanges, between Christian and Moslem militiamen in Beirut's "Green Line," which splits the capital into a Christian-eastern and a Moslem western sector.

Arafat confirms PNC meet

TUNIS (Reuters). - Palestine Liberation Organization chairman Yasser Arafat has confirmed that a long-delayed session of the Palestine National Council, the Palestinian parliament-in-exile, will begin in Amman on November 22. PLO officials in Tunis said yesterday.

Arafat announced the date at a meeting here over the weekend of PLO officials and senior leaders of his dominant Fatah terrorist group, they said.

In Damascus, however, George Habash's popular front for the Liberation of Palestine rejected Amman as the venue and said a PNC meeting now would harm efforts to heal a split within the PLO.

U.S. envoy meets with Mubarak

CAIRO (Reuters). - President Hosni Mubarak and U.S. Assistant Secretary of State Richard Murphy had a 70-minute session yesterday which Murphy said afterwards covered "regional, international and bilateral issues."

The U.S. envoy declined to give reporters further details, but the two are assumed to have discussed prospects for peace in the Middle East.

Foreign Minister Esmat Abdel Maguid said after talks Saturday night with Murphy that he hopes the U.S. will reactivate the peace process and assume its responsibility on this issue.

Civil administration demolishes 30 shacks

Judea and Samaria civil administration workers yesterday demolished 30 illegally built tin shacks in Jiflik in the Jordan Valley.

Agricultural workers in the region had erected the shacks as temporary living quarters. Administration workers said the settlement was a health and security hazard.

The administration destroyed 30 tin shacks last week, and now only 20 remain on the site. The owners of the 20 shacks have also been served demolition orders. (Iim)

Soviet, U.S. planes on display in Egypt

CAIRO (Reuters). - Egypt brought together its Soviet-made MiG-21 and U.S. F-16 jets for an aerobatics show during Air Force Day celebrations at the Belbeis base near Cairo yesterday.

President Hosni Mubarak, a former air force pilot, attended.

The Egyptian Middle East news agency (Mena) said the show featured flights for the first time in Egypt by the French Mirage 2000 fighter and the Brazilian Tucano trainer, which is to be assembled here under agreement with Brazil.

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With deepest sorrow and grief we announce the passing of our husband, father and grandfather

EMANUEL (Manny) KORNFIELD

of Sunnyside, Queens, N.Y.
who passed away this past Saturday, November 10, 1984.

Burial will take place today, Monday, November 12, 1984 at the Eretz Hachaim Cemetery, Tzomet Har Tuv at 11.30 a.m.

Shiva will take place at the Framowitz's, Merkaz Klita Gilo, No. 1, 83/10.

Helen Kornfeld
Renee and Moshe Benjamin and family
Joyce and David Framowitz and family

44562-16 725

ESTHER FUTERMAN

Passed away peacefully in London on November 9, 1984.

Sadly mourned by her children, Shirley and Max Pollak, grandchildren and great-grandchildren.

44562-16 725

Our dear

LISL MUEHLSTEIN

passed away at an old age.

The Bereaved:
Hanna Boneh
Noa and Hager
The family in Israel and abroad

44568-01-01

Anti-Kessar motion on Histadrut agenda today

By ROY ISACOWITZ
Jerusalem Post Reporter

TEL AVIV. — The Histadrut's Likud faction is to propose a motion of no-confidence in Secretary-General Yisrael Kessar during today's meeting of the labour federation's executive.

The Likud will oppose the Histadrut leadership's request that the executive approve the economic package deal with the government and the manufacturers on the grounds that Kessar had "sold out the workers," Histadrut sources said.

Labour Party Secretary-General Uzi Baram yesterday called on Vice Prime Minister Yitzhak Shamir to prevent the Likud faction from proposing a non-confidence vote on Kessar. Baram said it was unacceptable for the Likud to "act out of narrow party interests as if there was no national unity government and no package deal."

The sources were confident that the executive would reject the motion and support the package deal, despite widespread unease in organized labour concerning the deal and its implementation.

Histadrut leaders are convinced that senior Treasury officials are determined to wreck the package deal to further erode workers' salaries.

Addressing the Alignment faction

in the Likud on Friday, Kessar said he had warned Finance Minister Yitzhak Moda'i that the labour federation would find a way to prevent the activities of the unnamed Treasury officials, if the minister was unable to do so.

Kessar will express the Histadrut's concerns during a meeting of the trilateral Economic Council this week. Among the issues he will raise are the government's reported plans to dismiss thousands of civil servants, compensation for wage erosion prior to the freeze, and the high level of many of the frozen prices on the official price lists.

The sources confirmed that Kessar would not threaten to pull the Histadrut out of the package deal if the price lists are not revised to reflect correctly the prices on November 2. Last week, Kessar said that failure to revise the prices could mean the end of the package deal.

Kessar yesterday attacked the statements of "certain ministers" against the package deal, saying that their statements showed a "radical lack of responsibility."

Participants in the central committee meeting at which Kessar spoke understood the reference to be to Minister without Portfolio Gideon Patt, who said last week that the economic situation at the end of the package deal was likely to be "catastrophic."

Sackings at Ata hinge on severance pay, workers say

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. — The works committee of the Ata textile concern's main plants in Kiryat Ata and Kurland yesterday agreed in principle to the dismissal of employees — provided they receive adequate compensation.

A letter to this effect signed by the works committee and the Haifa Labour Council was submitted to Ata's receivers during a meeting between the parties at the Histadrut headquarters in Tel Aviv.

The letter said the employees and the labour council accept the necessity of participating in the recovery programme in accordance with the recommendations of the Industry Ministry's inquiry team headed by Yehuda Gil. The recommendations

propose the streamlining of the company's operations and the dismissing of more than 700 employees — 426 of them at the two main plants.

But the letter stated that acceptance of dismissals in principle is conditional on the receiver finding a solution to the question of compensation for the dismissed employees.

The letter did not refer to the number of people to be dismissed. The Jerusalem Post has learned that both the labour council and the works committee still want to discuss how many employees should be fired.

Severance pay remains the main stumbling block. The works committee is demanding a minimum of one month's pay for every year worked.

New director at Health Ministry

By D'VORA BEN SHAUL
Jerusalem Post Reporter

Prof. Dan Michaeli, 50-year-old former chief medical officer of the IDF and more recently head of Tel Aviv's Ichilov Hospital, assumes his duties this morning as director-general of the Health Ministry.

Health Minister Mordechai Gur introduced Michaeli yesterday to heads of ministry departments. Prof. Baruch Modan, outgoing director-general, will soon leave for Geneva where he will do research on epidemiology at the World Health

Organization.

In a farewell address to his colleagues, Modan expressed his disappointment that he had not been able to institute a national health insurance. He said he hoped that the ministry staff will continue to press for this.

Speaking later to reporters, the ministry spokesman said that Gur did not wish to comment on statements Modan made earlier yesterday in a radio interview expressing regret that the Health Ministry was being "politicized."

Zim plans to reduce shore-based staff

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — The Zim shipping company's reorganization and retrenchment plan calls for a 20 per cent reduction of its over 1,300-member shore-based staff. Zim's new general manager, Matty Morgenstern, told the Haifa Labour Council on Friday.

The chairman of Zim's staff committee, Uri Zuckerman, yesterday presented a programme of economizing through cutting wages and benefits of Zim staffers working in the firm's overseas offices and reducing the car maintenance allowances paid to some staffers.

These must be carried out "before

a single staffer is dismissed," Zuckerman said, adding that the management and not the employees were responsible for the extra staff in the first place.

According to the Labour Council spokesman Zim is not seeking any immediate dismissals.

The staff reduction is slated to be carried out over one or two years, principally through attrition and early retirement of staff nearing pension age.

The management is also negotiating with the seamen's unions for reduction of ships' complements to bring them in line with crew sizes in the western merchant marines.

Non-denominated aerogram under study

Jerusalem Post Reporter

The Communications Ministry is considering issuing a non-denominated aerogram through its Philatelic Services. But the proposed aerogram, unlike the non-denominated stamp currently in use for domestic letters and postcards, requires the approval of international postal bodies, which are now weighing Israel's request.

Once purchased, a non-denominated stamp retains its value and may be used regardless of any subsequent rises in postal rates. This

is especially advantageous during periods of galloping inflation, when rapidly rising postal rates often necessitate passing many extra stamps on aerograms.

In a related development, the Philatelic Service, in conjunction with other philatelic groups, is completing preparations for the largest stamp exhibition ever held in Israel. So far, 71 exhibits that have won international gold medals have been submitted for participation in Israel's 85, which will be held from May 14 through 25 at the Tel Aviv Fair Grounds.



West Berlin Mayor Eberhard Diepgen tours Yad Vashem yesterday with members of his party. (Rahamim Israeli)

IEC set to act against overuse of free power

By DAVID RUDGE
Jerusalem Post Reporter

HAIFA. — The Electric Corporation is preparing to take action against scores of employees who have abused their right to free electricity, The Jerusalem Post learned yesterday.

A list of employees who have made "excessive use" of their controversial privilege is to be brought before a meeting of a joint management and Haifa workers watchdog committee.

The committee, which was established in June to control the amount of free electricity consumed by the corporation's 10,500 employees and pensioners, is to meet soon. The Post was told.

The committee is empowered to investigate cases of excessive use and to take unspecified disciplinary measures against persistent offenders. These could include fines, the docking of wages, and more severe measures.

The committee was established, with the full agreement of the IEC's works committee, before the recent debate in the Knesset Finance Committee over the hoary question of

free electricity for the corporation's 7,200 active employees and 3,300 pensioners.

Energy Minister Moshe Shaul is also investigating the matter, but his report is not expected for some time.

The watchdog committee takes as its guideline the average consumption of employees, which is approximately 1½ times more than that of the average Israeli family. In some cases, corporation workers use four times more power than the average family.

The corporation's management has been advising employees on power-saving measures, but this apparently has been insufficient to deter some workers.

The IEC spokesman last night refused to confirm or deny the existence of "a black list," although he confirmed that the control committee is active and meets regularly.

He said the task of the committee is to prevent wasting electricity. "It is not true, as some people think, that there are no checks on the amount of electricity consumed by employees. Every worker receives regular notification of how much power he or she has consumed," the spokesman said.

New price list draws fire from dentists

By D'VORA BEN SHAUL
Jerusalem Post Reporter

Dentists from all over the country met last night in Tel Aviv to discuss ways of protesting the Health Ministry's price list for dental care, issued last week as a part of the price-wage freeze.

The Israel Dentists Union claims that the prices set by the ministry are unrealistically low and that the dentists are being discriminated against since no similar price list was issued for physicians, architects, accountants or other independent professionals.

The prices set by the ministry represent the lower range of prices charged by dentists before the freeze, and many dentists have been forced to lower their prices. One Jerusalem dentist who charged IS13,500 for a filling on November 1 had to do a second filling this week for the same patient for IS9,750. Many dentists are refusing to make appointments for gold crowns or bridges requiring gold.

Most dentists said they would be willing to continue working at the frozen dollar rate but at the former prices, thus absorbing the difference in cost of imported dental materials. They are unwilling to accept the ministry price list, claiming it takes no note of the level of expertise or the experience of the dentist.

Before their meeting, representatives of the dentists met with Health Minister Mordechai Gur and together they appointed a committee to check their complaints. The panel is to report to the minister by next Thursday.

The ministry yesterday cancelled a news conference scheduled for the evening at which Director-General Yehoshua Forer was to report on latest developments in the price freeze. No reason was given for the cancellation.

Israel Prize for Ben-Zvi Institute

An Israel Prize is to be awarded to the Ben-Zvi Institute (Jerusalem) for its research into the Sephardic heritage, a spokesman for the Education and Culture Ministry announced yesterday.

The prize is to be given in a ceremony next Independence Day.

Foreign fish sold as local, fishing company charges

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — The Atlantic Fisheries Company yesterday called on the Agriculture Ministry to prevent the unloading of 180 tons of frozen Argentine hake (bakala) from the refrigerated ship Angeli, which is due to arrive in Ashdod today.

In a cable to the Ministry's director-general Meir Ben-Meir, the firm asserted that the importers, Fishport caught the hake in Argentina but intended to land them here as "Israeli fish" on the grounds that they had been fished by an Argentine trawler, the Pesuara, which they had chartered.

Atlantic, which itself fishes hake in the South Atlantic on its own ships and markets them in Israel, sent the ministry extensive official and private documentation to prove the Pesuara had not fished the hake and had been unable to do so as it had

been engaged in more lucrative shrimp fishing.

Atlantic and the Fish Breeders Union have for some time argued against the import of fish caught by the Pesuara as "Israeli produced," arguing that it was undercutting Israel's fisheries. This had been made possible under a regulation that recognizes as "Israeli fisheries" foreign-flag vessels chartered by Israeli firms, and exempts them from import restrictions and customs duties.

The 20-year-old regulation was introduced to enable Israelis to fish in the Red Sea under foreign flags, before the Six-Day War without Egyptian interference. Atlantic Fisheries noted that this regulation had long since been ignored, but had been revived for Fishport by Pesah Grupper during his last days as agriculture minister, to enable the company to bring in fish from Argentina in competition with Israeli fisheries.

20 tremors monthly in Israel

Nothing out of ordinary when ground shakes

By AARON SITTNER
Jerusalem Post Reporter

When several slight earth tremors rumbled through the Jordan Rift last Monday, reports of the incident set the teleprinters racing in newsrooms throughout the country. But to workers at the Israeli Seismological Institute, the mini-quakes were routine.

"We detect about 240 quakes a year," Dr. Avi Shapira, director of the institute, told The Jerusalem Post yesterday. The institute, with headquarters in Holon, is part of the petroleum research and geophysics centre operated by the Energy and Infrastructure Ministry.

"With an average of 30 quakes a month picked up by our instruments, not all are reported by the news media," Shapira explained. "And some years are worse than others. For example, from a relatively quiet

year of 1982 — with 120 quakes — we passed through a quite active 1983, with no fewer than 420 earthquakes. Half of last year's quakes were centred in the northern sector of the Gulf of Eilat."

Shapira describes Israel as "moderately prone" to earthquakes, as compared with Japan, Italy or California.

The institute operates 14 permanent seismological stations, another 12 portable ones and 15 "strong motion seismometer" installations. The latter detect only powerful tremors.

The main mission of the Seismological

Institute is to enhance the safety and economic positions of construction projects in the country. Before drawing up a building code, the Interior Ministry or a municipal authority receives a site report from the institute.

On a historic basis, says Shapira, Israel is on tap for at least one disastrous earthquake a century. One of the worst was the Safad quake of 1837 "which practically ruined Galilee." This century saw one too, in July 1927, centred in Jericho with a force of 6.25 on the Richter Scale.

Ampal board meets in N.Y., gets Levinson affair report

Ampal's board of directors met last night in New York to receive and discuss a special counsel's report on the company's links, if any, with the events known as "the Levinson affair."

The special counsel, from the legal firm Fried and Frank, was appointed in March this year by an independent committee of the board of directors, headed by Evelyn Sommer and including Ludwig Jesselson, Harvey Kruger and Irwin Field.

The committee's brief was to investigate any connection between Ampal and the Delaware-registered U.S.I. investment firm of which the late Ya'akov Levinson was president, as well as irregularities concern-

ing trading in Ampal stock and any knowledge that the company may have had of them.

While it is not yet known what the report contains, sources close to the company stressed that the special counsel's area of investigation was a relatively narrow one in the context of the whole Levinson affair.

Other parallel investigations being pursued by the Israel Police and by the Securities and Exchange Commission in the U.S. are far more advanced, it is understood, and are likely to reveal more about the extent of alleged illegalities, who was involved and who knew how much at what stage. Nevertheless, the Ampal report may shed further light in this affair.

Kibbutz forbids member's Moscow trip

MA'AGAN MICHAEL (Itim). — This kibbutz Saturday voted to forbid member Moti Ish-Ya'ir from joining a Democratic Front for Peace and Equality delegation to Moscow on Sunday.

The kibbutz secretariat had originally agreed to Ish-Ya'ir's trip as part of his DFPE activities, but members who held a heated discussion of the subject decided against it

on the grounds that the DFPE's trip to Moscow is bad for Soviet Jews.

The party was invited to send a delegation to Moscow by the USSR's Peace Committee.

Ish-Ya'ir until the elections was a member of former MK Uri Avnery's Alternative movement, which is now part of the Progressive List for Peace. Since then Ish-Ya'ir has joined the DFPE. The members' vote against his going was 61 to 49.

Holy Land Institute marks anniversary

By HAIM SHAPIRO
Jerusalem Post Reporter

"A Christian window on Israel," is how the late Dr. Douglas Young visualized the American Institute of Holy Land Studies, which he founded 25 years ago. Since then, more than 5,000 students have looked through that window.

At a convocation yesterday at the Van Leer Jerusalem Foundation, the institute marked the anniversary

of its founding and welcomed its new interim executive director and dean, Dr. Peter Veltman.

Prof. George Glakumakis, the present head, is to assume an academic post in the U.S. Rev. Larsen Liquist, international president of the institute and master of ceremonies, revealed that a biblical dictionary, initiated by Young and completed by his successor Glakumakis, has been published in the U.S. under the title *Young's Bible Dictionary*.

Tourist relieved of suitcase by 'kind stranger'

TEL AVIV (Itim). — A tourist from London was nonplussed yesterday when the "kind young stranger" who had given him a lift to the central bus station here left him on the sidewalk and drove off with his suitcase.

The Briton told police that he had been trying to hail a taxi when the young man pulled up and offered him a lift. When they arrived at the bus station, the tourist gratefully

thanked the driver, got out of the car and prepared to remove his suitcase from the back seat, he told police.

But the driver pointed out that he was standing in a bus lane and said that he was going to move up a few metres, at which point he simply drove off with the suitcase containing a camera, lenses, video equipment, clothing and gifts purchased in Israel, the tourist said.

Israeli places third in beauty contest

Rinat Hadashi of Israel placed third in the "Miss Asia and Pacific Beauty Contest" held at Christchurch, New Zealand on Saturday night, the Associated Press reported.

Melek Gurkan of Turkey won the contest, with Gayle-Anne Jones of New Zealand second.

Demonstrators exploded firecrackers and banged pot lids in an unsuccessful attempt to disrupt the event, asserting that beauty contests degrade women and encourage sexual stereotyping.

Some of the demonstrators outside the Christchurch Town Hall broke through a line of security guards and dashed into the hall, shouting "no show, no show."

Needy to get kerosene at special discount

Jerusalem Post Reporter

Kerosene prices will be cut for needy persons in cold areas, the Energy Ministry has announced.

The exact price of the fuel — currently IS244 per litre — will be set by a committee appointed by Energy Minister Moshe Shaul. The body includes representatives of the National Insurance Institute, the Ministry of Labour and Social Affairs, the Ministry of Energy and Infrastructure, several voluntary organizations and the Safad and Jerusalem Municipalities.

The committee will also set the criteria for eligibility for the cheap fuel.

AGREEMENT. — An academic cooperation agreement between the Universities of Haifa and Nice was signed in Haifa last week by the presidents of the two institutes, Ephraim Evron and Prof. Marcel Azzaro.

Food producers seek permission to raise prices

Jerusalem Post Reporter

Several food producers have applied to the Price Review Committee for permission to raise their prices, a source at the Industry and Trade Ministry disclosed yesterday.

The committee is a permanent unit of the ministry and has existed for several years.

It receives requests for price adjustments from producers of products under government supervision, and in the past has allowed price increases in cases where the company can prove that its costs warrant an increase.

The latest requests, the source said, have come from producers of items not included in the November 4 official price list of maximum prices.

Meanwhile, the ministry's restrictive business practices division is reportedly looking into possible collusion among food producers following full-page advertisements in yesterday's newspapers announcing a special sales promotion. The authorities say there is too much similarity among the prices of similar products being offered by competing firms.

RACISM. — A regional group to fight racism and to encourage Arab-Jewish coexistence was established recently in Acre.

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What Now?

President Reagan with his wife, Nancy, and members of their family at victory celebration in Los Angeles last week.

The New York Times/Paul Heston

Issues Guarantee the President Some Hard Days at the Office

By STEVEN R. WEISMAN

ELIATED by President Reagan's victory last week, White House aides nevertheless had reason for disappointment and concern. The election returns threw back on Mr. Reagan's lap conflicts in his political family that have plagued his Administration since Inauguration Day 1981.

Even before the polls closed, Republican strategists had renewed two sharp debates. One was over how internal disagreements over the approach to nuclear arms control might be bridged. Some aides suggested that the President would give greater authority to Secretary of State George P. Shultz and others who have favored concessions to the Soviet Union. Such a move would likely produce early confrontation with hard-liners at the Pentagon. Mr. Reagan is said to be meeting with Mr. Shultz and national security adviser Robert C. McFarlane this week to review a working paper requested last summer on other options on the foreign policy agenda. They are reported to include intensified attention to strains in the Middle East, European economic difficulties and United States relations with and aid to third world nations.

The other debate was over how much help the White House should seek from Democrats in Congress in reducing the Federal deficit. In simple human terms, few think it will be easy for a President who received such a sweeping vote of confidence to reach out. But some aides note that he made governing effectively his first priority in his second term as Governor of California, when he worked with Democrats on welfare changes.

Trouble With Allies

Mr. Reagan's domestic difficulties are complicated by his successful campaign. By emphasizing broad themes of prosperity and renewal, he may have undercut his ability to claim a mandate for specific measures, particularly ones that might cause pain to taxpayers and to people dependent on Federal programs. Senator Paul Laxalt, chairman of Mr. Reagan's re-election drive, noted there was room for improving Mr. Reagan's consultations with his own allies in Congress. "There have been a lot of complaints among Republicans that they've been made to defend budgets after the fact, without having any input beforehand," Mr. Laxalt said.

Indeed, a sharper demand for "input" was conveyed to the White House last week by Representative Robert H. Michel of Illinois, the House minority leader. Unhappy at the small Republican gains on Capitol Hill, Mr. Michel blamed the Reagan-Bush campaign for being more interested in fattening the President's popular majority than electing a Congress he could work with. What galled the Republican leader was Mr. Reagan's last-minute stop in Minnesota even as his campaign aides maintained that he had no time to appear in key Congressional districts.

At the White House, Mr. Michel's unusual rebuke was viewed as a warning that Congressional Republicans would not be taken for granted. Republicans everywhere seemed nervous that Mr. Reagan's victory would lead the public to hold them accountable for the deficit and continued economic recovery. Already, they are worried about re-election in 1986, which many think is likely to be a Democratic year, and are looking anxiously toward the 1988 Presidential contest. The day after the election, Mr. Laxalt said of the 1984 campaign: "We gathered all the professionals and all the camps into one tent. They'll all go their separate ways — starting today, I suspect."

By most calculations, the President plans no major

personnel changes, at least for now. As they did four years ago, Reagan aides speak of the need to "hit the ground running." For them, that means keeping people with a proven track record. But many of Mr. Reagan's top aides — notably James A. Baker III and Michael K. Deaver, the White House chief and deputy chief of staff — are exhausted and eager to move on.

Seeking a Grand Compromise

On his domestic programs, Mr. Reagan will be listening soon to Treasury Secretary Donald T. Regan's ideas about "tax simplification," and to the spending cut proposals of David A. Stockman. The budget director is reported to have become the most zealous in-house advocate of an early "grand compromise" with the Democrats on domestic spending, the military budget and taxes.

How receptive the Democrats might be is another question. In post-election remarks, House Speaker Thomas P. O'Neill Jr. reminded the White House that his party had been "burned" on taxes. He and Representative Dan Rostenkowski, chairman of the House Ways and Means Committee, are said to be smoldering over Republican campaign commercials that their party stands for tax increases. For the moment, many Democrats are happily awaiting Mr. Reagan's budget for the 1986 fiscal year, certain that if he tackles the deficit without raising taxes or cutting defense spending, he must propose cutting deeply into school aid, health care programs and many other Federal benefits — exactly the programs their candidate had warned would be on the line.

White House officials also predict that Vice President Bush will emerge as a stronger force, particularly in Congressional relations, and that Mr. Reagan will wait before trying to push his so-called social agenda, particularly a Federal ban on abortions.

In the past, White House squabblers went public, creating a tone of disarray before Mr. Reagan decided which way he would go. In 1982, he sided with the "pragmatists" and endorsed a tax increase. This year and last he heeded conservatives and rejected revenue measures pushed by some of his top economic advisers. Again surrounded by conflicting advice, Mr. Reagan may not find weighing what to do any easier now.

Between Washington and Moscow, Nicaragua



Nicaraguan Foreign Minister Miguel d'Escoto Brockman answering questions about the cargo of a Soviet ship.

THE first public exchange with the Soviet Union after President Reagan's victory last week seemed polite enough. The Soviet Union sent congratulations along with a bid for better relations. Mr. Reagan responded in kind and said he was ready to go forward with arms control talks.

But the same day that the State Department was talking publicly of "real possibilities" for improvement, it was privately warning the Soviet Union not to send jet fighters to Nicaragua. The warning was provoked by the imminent arrival of a Soviet freighter in Nicaragua with a cargo suspected of containing MIG-21's. The faint whiff of the 1962 Cuban missile crisis was enough to make talk of cooperation secondary for the moment.

By week's end, the Sandinista Government, fresh from its own big win at the polls, was literally up in arms and Moscow was accusing the Administration of seeking a pretext to invade the Central American nation.

The freighter docked at Corinto while an American spy plane shattered the sound barrier and Nicaragua nerves. The Administration made it clear that a shipment of MIGs would cause an "unacceptable" upset in the region's military balance as well as a challenge to United States interests in the Western Hemisphere as first proclaimed by the Monroe Doctrine in 1823.

Secretary of State George P. Shultz reported that Moscow denied sending MIGs. So did

Managua, although it proclaimed the right to arm itself as it chose. A high Nicaraguan official said the ship had brought one or two helicopters. Nicaragua protested against American incursions into its air space and waters, appealed to the United Nations Security Council, notified reservists to be on the ready for mobilization and diverted thousands of students from coffee picking to a defense force against an "imminent" American landing.

The Administration denied it had invasion plans but did not rule out air strikes and other military action if the threat of the MIGs became real. In the Caribbean, the Navy deployed 25 ships, including the battleship Iowa, for "maneuvers" while elements of the 82d and 101st Airborne Divisions were scheduled for an exercise in Georgia later this month.

In the background, however, the Administration struck a different note about East-West relations. Moscow, officials said, has been asking for clarification of proposals made by Mr. Reagan in September at the United Nations for "umbrella" talks that would cover the whole range of arms control problems. Moscow's private expression of interest, after some public criticism, made officials hopeful that progress could yet be made in meetings between Mr. Shultz and Soviet Foreign Minister Andrei A. Gromyko. (The Sandinistas and their future, page 3.)

A Tribute To Reagan, A Message To Democrats

By HOWELL RAINES

WHATEVER history's judgment on President Reagan, no one can accuse him of having entered the White House through the back door. On Tuesday, he won a second electoral landslide, and this time piled up a mighty popular vote to go along with 525 electoral votes, the largest total in the history of Presidential politics. These voters were not driven by war or economic collapse. Mr. Reagan's opponent, former Vice President Walter F. Mondale, was a solid political figure, so he clearly did not win by being perceived the lesser of two evils. Rather, six out of ten voters said clearly and unambiguously that they wanted him to be President. In that sense, the election was a triumphant affirmation of Mr. Reagan's popularity.

Yet there was a darker side to the 1984 contest. Mr. Mondale, in a sad, dignified final speech to supporters in his home state of Minnesota, affirmed his commitment to the underprivileged, intimating, as he has all year, that there was a troubling appeal to self-interest at the heart of the Republicans' message. And the potential for racial division that has been a part of Mr. Reagan's politics since his opposition to the Civil Rights Act in 1964 seemed heightened: more than 80 percent of the black voters refused to endorse the Reagan mandate.

There is also the question, given the imprecise agenda Mr. Reagan offered from the stump, of how he will use his personal mandate and, given the modest Republican gains in the House of Representatives and the loss of two seats in the Senate, of how his electoral victory will be translated into legislative achievements.

House Speaker Thomas P. O'Neill Jr. probably overstates in suggesting that his party achieved a counter-mandate. What the Democrats did was avoid disaster, becoming beneficiaries of the public's tendency to split their national votes. In 1972, for example, the Republicans gained only 12 seats while Richard M. Nixon was getting the largest margin ever in the popular vote. The Democrats may also have sustained enough of a Congress-

More on results and outlook, page 2

sional presence to impede a wholesale extension of Mr. Reagan's policies throughout the Government.

But the lessons are as clear as if the party had suffered a decimating Congressional defeat. The South may be gone for the foreseeable future. A number of issues, prominent among them abortion, helped alienate Catholics who have sustained Democratic strength in the industrial states of the Northeast and Middle West. The party's old electoral equation — blacks, traditional liberals, labor — no longer adds up to a majority.

This may strengthen the argument of those — including Senator Gary Hart of Colorado, who based his campaign for the nomination on the premise — that the party must build a base in the West. Or it could lead to a search for a candidate with enough popular appeal to reclaim the urban Northeast. In any case, the Democrats must find a way to recapture the vast middle constituency that was set on the road to prosperity by the New Deal and then used that road to march in Mr. Reagan's parade.

If the outcome seemed foreordained, the campaign presented some surprises. The Mondale organization, touted as one of the most efficient ever, produced in the fall a hapless blend of bad advance work, forgettable advertising and an illogical geopolitical strategy that left Democratic states unprotected against astonished but grateful Reagan strategists. Another surprise was the degree to which Representative Geraldine A. Ferraro seemed not to matter. Notwithstanding the much publicized "gender gap," Mr. Reagan carried a majority of women who voted. Mrs. Ferraro was successful, however, as a precedent-setter. In July, putting a woman on the ticket seemed a huge gamble. Now, the best thinkers in both major parties assume that female candidates will become a standard feature of Presidential politics.

It is hard to recall a Presidential contest in which the Vice Presidential candidates sustained so much damage. The publicity over Mrs. Ferraro's background and the finances of her husband, John A. Zaccaro, has clouded her prospects. Vice President Bush campaigned so erratically as to shake the confidence of his friends, the "Establishment Republicans," and to fire a movement among conservatives to deny him the nomination in 1988.

In a press conference on Wednesday, Mr. Mondale, 56 years old, said he read his poor showing as a mandate to give up electoral politics. He also warned his party that its nominating process had become a crippling ordeal for its Presidential candidates and, with admirable candor, said that it should not again offer a candidate with such limited skills as a television performer.

That points up one of the many paradoxes that surround Ronald Wilson Reagan, the oldest man to occupy the White House. Born in 1911, when radio was not yet a commonplace in American life, he has endured to become the consummate candidate of the television age. Because of his show business background, his disengaged style and his vagueness about matters of fact, Mr. Reagan's capacity has been denigrated more, perhaps, than that of any other chief executive of this century. Yet he has reeled off an 18-year string of victories over opponents who thought they were smarter than he. The President said on Wednesday that he wants to attain two broad policy goals — revision of the Federal income tax system and the securing of nuclear arms control agreements with the Soviet Union. If he does, it will be hard for those who believe themselves wiser to talk history into ignoring him.

The politics of famine in Ethiopia

4

The Nation

After Election, The Economy Is Still an Issue

The economy, which gave President Reagan such an easy time on Election Day, may not be as cooperative in the months ahead.

For one thing, the sizzling 7.1 percent growth in gross national product from April through June slackened to 2.7 percent from July through September. And the President's Council of Economic Advisers last week once again predicted the economy would expand by about 4

percent a year for the rest of the decade. While some analysts see in this estimate a soft landing for the recovery, it disappointed supply-siders. They had hoped for a high-growth forecast, which they contend would encourage more investment.

The Federal Reserve, which has loosened its grip on money policy because of slower growth, was given incentive to continue on that course last week, budget deficit or not. The weakness of inflation was evident in the third monthly decline of producer prices, which fell 0.2 percent in October; so far this year, the index for finished industrial goods has risen only 1.5 percent. And the basic

money supply shrank by \$600 million in the week ending Oct. 29, a slowdown that would seem to press the Fed to rechange the economy by encouraging lower interest rates. Speculation that it would do just that drove down short-term interest rates on Treasury bills by more than half a percentage point. But the big banks followed with only a modest quarter-point cut in their prime lending rate, from 12 to 11 3/4 percent.

Even Wall Street's response to the Reagan landslide was mixed. On Election Day, stock prices closed at their best levels since they began climbing in August. The day after, however, they fell, largely because Republicans did not make big gains in the House. Nevertheless, said William Benedetto, head of corporate finance for Dean Witter, Reynolds, "this election is an investment banker's dream world."

Still far from their dream world are exporters and industries that rely on foreign sales. The dollar's strength, which makes American goods expensive abroad, was reflected in the third-quarter trade deficit, which hit a record \$33.3 billion. The year's deficit will be about \$113.2 billion, almost double that of 1983, the Commerce Department estimated.

Getting a Jump On Forgers

Office copying machines will soon be capable of reproduction in fine color, which is good news for the industry but bad news for Treasury agents concerned about counterfeit money. Their solution — likely to be announced next year — is a change in the dollar's design, which has been the same for 55 years.

The new design for dollar bills may borrow from the British pound the idea of having a magnetic line running down one side of each piece of paper — one barely seen unless held up to the light. Or it may use optically variable coloring whose shading seems to shift as the paper is held at different angles. A third possibility is to make the greenback a little less green with a multicolored pastel tint. None of these could easily be copied by a duplicating machine.

High-fidelity copiers, capable of reproducing today's dollar bills, may be on the market by 1990. If used for forgery, they could threaten the stability of currencies around the world. They could also change counterfeiting from a highly skilled art into a mass pastime. A committee of

experts from English-speaking countries that has been studying the problem since 1978 hired some sociologists to determine how many people might try their hand at making money at home. Their estimate: probably one half of 1 per cent of those with access to sophisticated copiers, but even that might present "a horrendous problem."

The redesign would be the first noticeable change since 1929 when dollar bills were made smaller to economize on paper and storage space.

World's Fair Cries 'Help'

The 1984 World's Fair in New Orleans will close its doors on schedule today, but its books may be open for years.

The fair, which drew high marks for quality but had trouble drawing crowds, last week filed for protection under Chapter 11 of the Federal Bankruptcy Code.

The fair's losses over its six-month run, during which hot, humid weather helped hold attendance to 44 percent less than a projected 70,000

people a day, were expected to exceed \$100 million. More than 100 guarantors of a \$40 million loan that helped start the fair have already lost their money. Other major creditors include the State of Louisiana, which is owed \$20 million to \$23 million, and local contractors and tradesmen.

Jim Landis of Landis Construction Company, says he and his fellow builders may be the hardest hit. "We're owed \$17 million and were a relatively small group," he said.

Mr. Landis, who is on the fair's fiscal and financial committee, added that it might be years "before this is all straightened out, if ever."

There were some reassurances from the fair's president, Peter Spurney, concerning the outcome of the Chapter 11 action, which is designed to protect the fair from its debtors while the fair's organizers try to come up with a plan, which must be approved by the debtors, to pay what is owed.

"We think it will allow everyone to be sure that the fair does treat them correctly," Mr. Spurney said.

Caroline Rand Herron,
Carlyle C. Douglas,
and Michael Wright

Democrats Gain in the Senate and Limit Losses in the House

The Presidential Express Carries Few Passengers

By PHIL GALEY

WASHINGTON

BYOND President Reagan's landslide last week, Republicans had little to crow about on the national level. They lost two of the party's 55 Senate seats and gained at most 18 seats in the House of Representatives, although the Democrats said their losses in the House would be held to 12 after recounts are decided. Whichever the case, the Republicans are far short of their goal of reclaiming the 26 House seats they lost in 1982. And with 13 governorships at stake, they increased the number of Republicans by one, to 16.

Those results suggest that Mr. Reagan's political coalitions were considerably shorter than Republicans had hoped, and that the dynamics of many local and state races were different from those that determined the contest between Mr. Reagan and Walter F. Mondale.

According to a poll of voters conducted by The New York Times and CBS News, Mr. Reagan was preferred over the former Vice President by a majority of blue-collar workers, women, men, whites and voters under the age of 25. Mr. Mondale was the choice of 90 percent of black voters and of a small majority of Jewish voters and of voters living in union households.

Those patterns, however, did not hold in many other races, and in some instances, the outcome of specific contests was more interesting than the

result as a whole. In Illinois, Charles H. Percy, the chairman of the Senate Foreign Relations Committee, was defeated by Representative Paul Simon, a liberal Democrat. Mr. Percy's loss was of particular concern to Washington's foreign policy establishment because it puts Senator Jesse Helms of North Carolina, a leader of the Republican right, in line to succeed him in the foreign relations chairmanship. Mr. Helms turned back a challenge from Gov. James B. Hunt in one of the country's most bitter races.

Surprise in Kentucky

For Democrats, the only real Senate surprise came in Kentucky, where Senator Walter D. Huddleston, a two-term veteran, was narrowly defeated by his Republican challenger, A. Mitchell McConnell, a 42-year-old county judge. Mr. Reagan's popularity apparently helped Mr. McConnell, but it failed to do much for Ray Shamie, the Senate candidate in Massachusetts for whom the President had campaigned. Mr. Shamie lost to John F. Kerry, the state's 42-year-old Lieutenant Governor and a former leader of Veterans Against the War. Mr. Reagan also campaigned for Senator Roger Jepsen of Iowa; he was unseated by Representative Tom Harkin.

In office, Mr. Jepsen championed traditional family values, but one of his difficulties was the disclosure that he once belonged to a health club that offered nude encounters. Another Republican, Representative Dan Crane of Illinois, censured by the House after having sexual relations

with a 17-year-old female House page, lost his seat; Massachusetts Democrat Gerry E. Studds, who was censured for having relations with a 17-year-old male page, was re-elected.

Except for a few, including Madeleine M. Kunin, a Swiss-born Democrat who was elected governor of Vermont, women fared poorly. Of the nine women seeking Senate seats, all lost; of the 41 running for the House, only two won. In Maryland, Helen B. Bentley succeeded in her third try to unseat Representative Clarence D. Long, a Democrat seeking his 12th term, by identifying herself closely with Mr. Reagan's policies. The other female newcomer to the House is Jan Meyers, a Republican who defeated Jack Reedon for an open seat in Kansas.

Texas is the only state where Republicans came close to realizing their dream of a major gain at all levels. Not only did Mr. Reagan win big in that state, Representative Phil Gramm, a Democrat-turned-Republican, trounced his Democratic opponent, Lloyd Doggett, in a savage campaign. Texas Republicans picked up four Congressional seats, 18 state House seats and dozens of local judgeships.

Republicans also were jubilant in Connecticut, where they gained one Congressional seat and won control of the State Senate and House for the first time since 1974. (Results in *The Region*, page 6.) The Republicans also won control of one house of the state legislature in five other states, and took governorships from Democrats in North Carolina, Rhode Island, Utah and West Virginia. Democrats, in turn, ousted Republican governors in Washington and North Dakota.

Finally, the results on a number of issues on state ballots seemed to undercut claims that the Reagan landslide was a mandate to pursue the President's agenda. Although opinion polls found that Mr. Mondale's promise to raise taxes was a drag on his candidacy, voters in Michigan, California and Nevada rejected proposals to reduce their state tax burdens.

If Administration Plans Had Succeeded, the Secretary Would Have No Successor

Bell's Legacy to Education Is That the Agency Still Survives



Education Secretary Terrel H. Bell announcing his resignation.

Associated Press

By GENE L. MAEROFF

TERREL H. Bell's assignment when he joined the Reagan Administration as Secretary of Education four years ago was to work his way out of a job by helping the President dismantle the department. But when Mr. Bell resigned last week the Department of Education was still very much intact and its abolition no longer appeared to be among Mr. Reagan's priorities.

The department's survival is a mark both of Mr. Bell's failure and success in his Cabinet-level post.

His proposals to dissolve the department and parcel out its functions won so little support among lawmakers that the White House didn't bother seeking the Congressional approval needed to abolish the agency. As it continued under Mr. Bell, however, the education department has become an unexpectedly visible and surprisingly useful forum through which the Administration has been able to pursue its goals.

Mr. Bell's role in transforming the department from scorned orphan to tolerated member of the family was achieved by treading a precarious path that allowed him to be perceived as a friend of education while advocating policies and cutbacks that educators found odious.

"Ted Bell would go to the Hill and make the case for cutting the budget, but then, to every friend who would listen, he would privately confess that this was not where his heart or conviction was," said Ernest L. Boyer, president of the Carnegie Foundation for the Advancement of Teaching and a former Commissioner of the United States Office of Education. "He said he was a friend and

that if he had not been (Secretary of Education), things would have been worse."

When President Carter established the Department of Education in 1979, using the Office of Education as a foundation, the move was seen as a reward to the National Education Association for its strong support of Mr. Carter in the 1978 Presidential campaign. Few other education groups favored the department and some, including the American Federation of Teachers, actively opposed it.

Mr. Reagan's desire to get rid of the new department reflected his stated view that education is a responsibility of state and local governments. It would also have provided a means of demonstrating his determination to reduce spending.

During his first two years as head of the agency, the Education Secretary was often ignored by the White House. Once, when the President addressed Congress, Mr. Bell was the only Cabinet member not invited to attend. The explanation was that national security dictated that the entire

Presidential line of succession not be at the same gathering, so that in the event of a nuclear attack someone would survive to run the country.

The 63-year-old Mr. Bell, who has accepted a post as an education professor at the University of Utah, endured such indignities with the affability and politeness that are his hallmarks.

Given little to do by the Administration, Mr. Bell formed the National Commission on Excellence in Education and busied himself with its work. The White House paid little attention to this panel until April 1983, when Presidential advisers apparently noticed that the report the commission was about to issue, "A Nation at Risk," had enormous political potential.

'His Greatest Contribution'

Nothing was the same for Mr. Bell or his department after the release of the document, which was a dramatic appeal to strengthen an education system endangered by "a rising tide of mediocrity."

"His greatest contribution as Secretary of Education was 'A Nation at Risk' and the multiplier effect it had," said John Phillips, president of the National Association of Independent Colleges and Universities. The report prompted a continuing national debate on the condition of education. State and local governments are discussing and adopting a host of measures aimed at raising education standards and improving the quality of teaching.

The new prominence of the agency has also given the Administration a pulpit from which to preach its views and propose changes in accord with them. These proposals have included seeking to exempt schools and colleges from compliance with certain civil rights man-

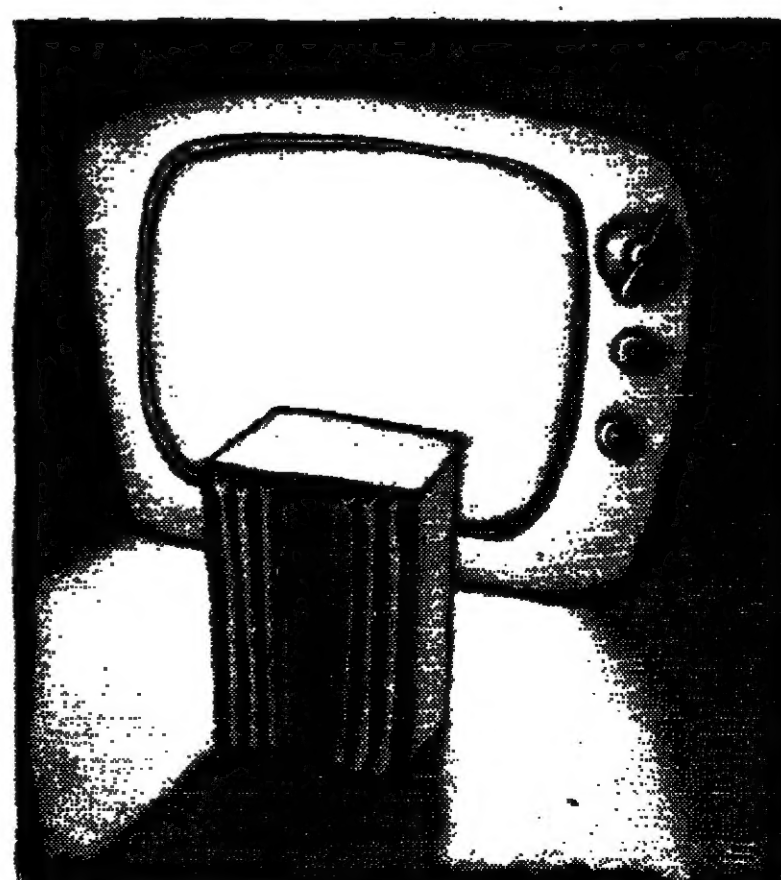
dates, to forbid the use of busing as a remedy for segregation, to revoke some rules banning sex discrimination, to reduce funds for handicapped and disadvantaged students, to adopt tuition tax credits and to cut aid to college students. Federal outlays for education have increased during the last four years only because Congress spurned the Administration's repeated attempts to reduce them.

As the prominence of education matters increased during the Presidential campaign, the Administration reluctantly somewhat in seeking such cuts. But some suspect

that, having been returned to office by an overwhelming vote, Mr. Reagan may give the next Secretary of Education a mandate similar to the one he gave Mr. Bell: decrease Federal influence — and spending — in education.

Whatever happens next, it has become clear during its first full term of existence that if the Department of Education has not been as useful for altering the pattern of Federal spending as Mr. Reagan might have liked, it has been more than adequate for giving Cabinet-level exposure to the President's special vision of education.

Projecting Results: The Fast and the Furious



David Shonman

WHO won the other race on Tuesday? Dan Rather, by 12 minutes. The CBS anchorman declared President Reagan's re-election at 8:01 P.M. Eastern time. ABC was second. But even NBC had a decision by 8:31, before the polls had closed in

New York City, much less west of the Hudson. The early call raised what is becoming a quadrennial quandary: What should people know and when should they know it? The answer varied from Washington to Broadcast Row. "The networks fell far short of the re-

straint I had hoped for and that the Congress had hoped for," said Representative Timothy E. Wirth, head of the telecommunications subcommittee. "Mr. Wirth obviously has very strong views," replied Lawrence K. Grossman, president of NBC News, "but they have nothing to do with reporting what the news is."

This year, both the House and Senate urged the networks not to declare a winner until western voters had a chance to cast their ballots. But if the networks were careful to avoid projecting results for states where polls were still open, the one-sided returns put the President over the top electorally even before all the eastern states were in. In fact, with a total of perhaps 20,000 people interviewing voters as they exited from selected precincts across the country, the networks knew the lay of the landslide much earlier.

Since 1980, when NBC called the race for Mr. Reagan — and President Carter conceded — before the polls in the West had closed, politicians and social scientists have been debating the impact of all this. But as far as one Oregon Congressional district was concerned, it didn't seem worth the fuss. According to William Adams, a professor at George Washington University who surveyed 1,256 people in that district last week, 39 percent of those who didn't vote were aware of network projections, but fewer than 3 percent of the nonvoters said they stayed away from the polls because of them.

The World

The Stakes and The Toll Rise In South Africa

South Africa's white Government last week confronted an unusually bold challenge from important elements of the black majority. One result was 16 deaths in two days of rioting. Hundreds of thousands of black workers in the Johannesburg area walked off their jobs, joining idle students and civil rights opposition groups in one of the biggest protests since the 1970's.

The Government had hoped for a period of relative peace when it signed an agreement with Mozambique in March that deprived the African National Congress of its main base of operations. But the largely foreign-based Congress has since been replaced as the principal source of violent opposition by hitherto moderate groups within the country. The starting point was the promulgation in September of a Constitution that gave a limited voice in government to people of Asian descent and of mixed race but excluded the 20 million blacks.

The unrest has built up since then, and the army has been used to put it down in the black townships. The po-

litical, also warned that enemies were "trying to exploit this event for their own ends."

A Long, Hard Round of Talks

Three days later, Lebanese and Israeli officers sat down at a triangular table last week for the formal start of discussions on the withdrawal of Israel's troops from their occupation of the south.

The third side of the triangle was occupied by representatives of the United Nations Interim Force—participating as chairmen, according to the Lebanese, simply the hosts to direct talks, according to the Israelis. Both sides agreed not to let their differing conception of the U.N.'s role interfere with tomorrow's start of thrice-weekly bargaining in the Lebanese town of Naqura, five miles from the border. But another snag developed when the Israelis arrested several Moslem Shiites after an attack on an Israeli patrol. Lebanon said it would not show up tomorrow unless its citizens were released.

Lebanon was believed to have restated its demand for total withdrawal of the Israelis, with the Lebanese Army moving in to provide security in the area adjacent to Israel's



Israeli Prime Minister Shimon Peres (center) on a tour of southern Lebanon last week.

lice raided the offices of protest organizations last week and six leaders of a black labor federation were arrested on charges of organizing the walkout. Its effectiveness was particularly surprising because black workers have usually been kept in line by fear of losing both their jobs and their right to live near Johannesburg and other big cities and of being exiled to tribal homelands. This is what happened to 6,000 workers at Sasol, a state-owned synthetic oil plant 60 miles east of Johannesburg, after they rejected a deadline to return to work.

The protests were directed against the Constitution, rent increases, the presence of police and army units in the townships and the arrest of hundreds of blacks. The Government was widely criticized for responding to these grievances with force rather than with an offer to talk. "We do not believe that violence holds the solution to the complex problems of South Africa," said a State Department spokesman in Washington.

Jaruzelski Takes Over Security

The murder of a Polish priest, the Rev. Jerzy Popieluszko, seemed to be a harbinger last week for Communist hard-liners. Embarrassed and possibly threatened by an uncontrolled security force, Poland's leader, Gen. Wojciech Jaruzelski, took over direct responsibility for the Interior Ministry and its police.

The move was formally requested by the ruling Politburo in what was seen as a slap at Miroslaw Milewski, a national secretary of the Communist Party and leader of its militant wing, who oversaw the police.

Three security officers are charged with ambushing Father Popieluszko's car and killing him with premeditation. His body was found in a reservoir and an autopsy was believed to have revealed marks of a beating. A spokesman denied reports of broken bones or major disfigurement. The investigation continued to delve into motives, although the Politburo declared that the plotters had "cherished hopes of using the crime as a detonator of internal disturbances." Presumably such disturbances would have justified a crackdown. In addition to those directly charged with the killing, two colonels in the Interior Ministry have been arrested and their superior, a general, has been suspended.

One of the accused, Capt. Grzegorz Piotrowski, was quoted as saying that the attack was provoked by frustration with the ineffectiveness of legal curbs on the priest, a persistently outspoken supporter of the outlawed Solidarity. The murder has brought about a resurgence of sentiment for the free trade union and the Politburo, while aiming most of its barbs at the hard-liners in party

northern border. But Government troops have been unable to assure security in their own capital—several crossing points between Moslem West Beirut and Christian East Beirut had to be closed last week after some of the heaviest fighting in months—and the Israelis are among those who have little faith in the army's effectiveness. They want some control over the area, mostly through the Israeli-armed South Lebanese Army, a militia that does not now come under the jurisdiction of the Lebanese Government. Israel also reserved the right to make forays into Lebanon in pursuit of guerrillas. The state-run Damascus Radio made clear Syria's position that "there is no role whatsoever" for the S.L.A. and that Israel had no choice but to withdraw rapidly and unconditionally.

Israel appeared to be hoping that Syria, which dominates the Lebanese Government, would allow Lebanon to make concessions after perhaps some diplomatic intervention by the United States. But Prime Minister Shimon Peres struck a note of caution during a visit to Israeli troops. He said it was good to be talking, "but I cannot promise an early withdrawal."

Salvador Rebels Are Still There

Peace talks between the Salvadoran Government and the rebels are due to resume at the end of the month. As if to put themselves in a position of force, the rebels last week carried out their strongest attack in six months, overrunning the town of Suchitoto, 30 miles northeast of the capital, in the center of the country.

A military lull before the attack had led American officials to speculate that the guerrillas had become weaker. The rebels said they had deployed three battalions of unspecified strength in routing a police infantry battalion of 300 heavily armed men. The Salvadoran Army needed ground forces, helicopter-borne troops and jet fighters to recapture the town. The rebels claimed they forced down two helicopters and hit four others in addition to a fighter. An army spokesman confirmed that two helicopters had been grounded and their pilots wounded. He also acknowledged the killing of 20 soldiers, but said 100 rebels had died in the successful counterattack.

Government forces have begun to rely heavily on helicopters to improve their ability to react quickly. The rebels have expressed concern over the army's new mobility and have indicated they are trying to develop countermeasures. Two weeks ago, four army commanders died in a helicopter crash, possibly caused by gunfire.

Henry Gidger and Milt Freedman

With Middle-Class Support, Opposition to Pinochet Grows

Is State of Siege Enough To Keep the Lid on Chile?

By LYDIA CHAVEZ

SANTIAGO, Chile—The level of discontent in Chile, a businessman here said, can be measured by the number of vendors crisscrossing along the pedestrian malls that crisscross downtown Santiago. The unemployed pour out onto the streets here, trying to sell everything from razor blades to cherries, earning as little as \$2 a day.

The area was especially crowded last week when President Augusto Pinochet invoked his strongest measure yet against a broad-based opposition and imposed a state of siege for the first time since similar restrictions were lifted in 1978. Political meetings were banned and opposition publications suspended. New censorship rules virtually prohibit any political news.

The opposition last week gave every indication that it was ready to protest loudly, its confidence boosted by growing support from a middle class caught in an economy that shows few signs of improving. The economy's effect on discontent, said a Western diplomat, is "very close to the flash point—if it drops just a little, it could explode."

Although the violent demonstrations late last month were led by labor leaders and a Marxist coalition, they picked up wider support from the middle class than expected. The support is now seen as a reaction to September's economic jolt, when the peso was devalued by 23 percent, import duties were imposed, and some food prices rose by as much as 55 percent. Overall consumer prices in October increased 8 percent, and some people think that figure is understated. "It is a bad time," said a businessman from northern Chile. "Salaries are not controlled by anyone and they have stayed low. Even for those people who have jobs it is very difficult."

Some politicians said Mr. Pinochet was putting restrictions on civil liberties to try to calm the political storms, and thereby stabilize a worsening economy. "All the repressive methods he is taking are because of the Chilean economy," said Jorge Mario Quinzio Figueroa, president of the Social Democratic party. "But, with everything in his favor, after 11 years of his rule we have an economic, social and moral crisis."

Mr. Pinochet's hardline measures might have worked several years ago, when much of his opposition had been exiled and people were still afraid to organize political parties. Since then, however, Chileans have grown accustomed to a certain amount of free expression. Last year, Mr. Pinochet responded to calls for a return to civilian rule by relaxing censorship, allowing opposition rallies and letting thousands of political exiles come home.

The new controls and the reaction against them will only worsen the outlook for the economy, a Western diplomat said. Although private capital is critical to the country's future, few business-



President Augusto Pinochet

Byronia/Curtis Clayton

men may be encouraged to invest when the Government appears unstable. The only way Mr. Pinochet can relieve the tension and improve the unfavorable investment climate, politicians said, is to show that he is ready to begin the transition to civilian rule. Until then, the opposition is likely to continue, they said. And now no one seems to believe the 68-year-old army general will back

down. "Pinochet will only increase the level of repression if the popular mobilization is successful—things will get very bad," said Ricardo Lagos, president of the Democratic Alliance, a coalition of six parties, including the moderate Christian Democrats.

Air force troops sealed off three slum neighborhoods in southern Santiago yesterday morning and made dozens of arrests. More than 150 people were taken into custody earlier in the week.

The 1982 Crash

When Mr. Pinochet first came to power in a 1973 coup that toppled the Marxist Government of Salvador Allende Gossens, inflation was rampant, the economy was in chaos and the middle class was calling for order. Mr. Pinochet launched a free-market experiment, producing growth rates of 8 percent a year—a period referred to here as "the boom." In 1982, however, the economy crashed. The country had a 14 percent negative growth rate and unemployment rose to 35 percent. "Chileans love to have people over to dinner—it is a tradition here—and for the first time ever that habit was dropped," a Chilean writer said.

Since then, the economy has improved some, but the climb out of the recession has been too slow and arduous to satisfy a growing number of people. The Government's ability to maneuver has also been restricted by a huge foreign debt and low copper prices. Chile is the world's largest copper producer, and copper provided 42 percent of the country's export earnings between January and July this year. The export value, however, dropped by 10.4 percent compared with the same period in 1983.

The unemployment rate in Chile is about 15 percent, but an additional 8 percent of the population is employed in Government programs that pay \$40 to \$60 a month. Another large part of the population, including the street vendors and the young men who run up to wash windshields at stoplights, are underemployed.

Officials of the Roman Catholic Church believe that the hard times have radicalized the younger generation of Chileans, many of whom have never held jobs. Santiago is ringed by poorer neighborhoods where 20 percent of the capital's 3.6 million people

live. The unemployment and underemployment rates in these areas range between 40 and 65 percent, community workers said. "The younger people have more sympathy for the more radical parties," said Enrique Palet, executive secretary of the Catholic Church's human rights office, "because of the desperation, the anguish, the lack of any possibilities in their lives."

Under Booming Skies, the Talk Was of MIG's Last Week

Managua Can't Vote Away Pressures



A woman among Government soldiers waiting to vote last week in Jalapa, Nicaragua.

By STEPHEN KINZER

MANAGUA, Nicaragua—The Sandinistas last week won their first ballot-box endorsement since their takeover five years ago. But if they expected that the national election would ease tensions, they were quickly disabused.

The morning after President Reagan's big election victory and two days after the even bigger one by the Sandinista presidential candidate Daniel Ortega Saavedra—he won 67 percent of the valid vote against weak opposition—an American warship appeared off the Nicaraguan port of Corinto. The apparent target of its surveillance was a Soviet freighter that docked in the port at about the same time and was suspected by Washington of carrying Soviet MIG 21 fighters. Carloads of reporters trooped to Corinto in a vain search for clues to the contents of the ordinary-looking boxes being driven away from the dock on military trucks. A high Nicaraguan official said that the boxes contained one or two disassembled Soviet helicopters. He said no MIG's

or other sophisticated fighters were in Nicaragua or on their way, and that the Sandinistas were no closer to success in their quest for fast planes today than they were six months ago.

"When an (American) administration spreads stories like this, it is doing something it has carefully considered," said Sergio Ramirez Mercado, the Vice President-elect. "We would be irresponsible if we did not move to a state of readiness to repel any form of aggression."

For three straight days last week, loud sonic booms shattered the languid morning air over Managua. American officials did not refute the Sandinista charge that the boom had been caused by an SR-71 spy plane. Because the plane can spy without causing booms, according to knowledgeable diplomats, the noise-making seemed intended as a not-so-subtle reminder to the Sandinistas of the balance of power between their revolution and the pro-American alliance that dominates the region. The Nicaraguan answer was to advise reservists, estimated at 50,000, to get ready to mobilize and to divert thousands of students from picking coffee to the defense of Mana-

gua. "You Americans still know how to throw a little country into turmoil," a Latin American diplomat remarked with grudging admiration.

The heightened pressure of the Reagan Administration and the unresolved differences with their domestic opposition cause Nicaraguan leaders to turn somber when they discuss the prospects of their revolutionary regime during the coming four years. "Reagan's re-election endangers the future of life on earth," asserted Carlos Nuñez Tellez, who was elected to the new 90-member National Assembly and is one of the nine Sandinista commanders who set policy.

The Sandinistas are also bitter at those who withdrew from the election process or refused to participate in it, charging that they encouraged Washington's hostile attitude. The Government has nonetheless pressed ahead with the "national dialogue" it began just before the election. Thirty-three groups representing the full spectrum of Nicaraguan society are officially represented and have met three times. A fourth meeting is in the works. The Sandinistas showed an unusual measure of flexibility by inviting such a wide range of people and by agreeing to discuss a proposal to hold new elections next year. For the moment, the Government opposes the idea.

How Much Cooperation?

Sandinista leaders point to the dialogue as a sign that they are willing to accept a measure of pluralism. They must now decide how harshly to deal with the opposition groups which, by their refusal to participate in the election, effectively undercut the Government's plan to present the election as proof that the country is democratic. For their part, the parties have to make a choice between joining the political process under rules set by the Sandinistas or remaining outside it.

Some experienced Latin American politicians believe the opposition may be insisting on unrealistic concessions and thereby reducing their possible influence on the country. One who voiced this view last week was José Francisco Peña Gómez, the Mayor of Santo Domingo and a likely candidate for the Dominican Republic presidency in 1988. Mr. Peña Gómez, who was in Managua to observe the election, has maintained close relations with the Sandinistas, which he uses to urge them to liberalize their regime.

"For 12 years we did not participate in elections (in the Dominican Republic) because they were a fraud run by a dictatorship," Mr. Peña Gómez recalled last week. "Those were years we lost in the fight to democratize the country. Finally we agreed to run, in the worst of conditions. Our presidential candidate was arrested, our offices were burned, we had campaign workers murdered. But after many sacrifices, here we are in power. Parties do not want to give up power, that is a general rule. You have to take the best conditions you can get and then make a fight of it."

But at this point, Nicaraguan opposition leaders believe they did the right thing by refusing to campaign. "We couldn't run because we were not prepared," said Alvin Guthrie, leader of an opposition trade union federation. "But if you count up the null votes and the abstentions and even some of the votes for opposition parties on the ballot, that is a lot of votes, and we feel a good part of it is for us."

Kohl Under Pressure

Money Talks Too Loudly For German Politicians

By JOHN TAGLIABUE

BONN — Fifteen West German industrialists, including Konrad Henkel of the big Henkel chemical company, and Hans L. Merkle, head of the Robert Bosch electrical products group, met in a suburb of Düsseldorf in October 1982 with leaders of the small but strategic Free Democratic party. Foreign Minister Hans-Dietrich Genscher, the party chairman, was there along with Otto Lambsdorff, Minister for Economic Affairs, and Richard Wurbs, the party treasurer.

Earlier that month, the Free Democrats had deserted the Social Democrat-led Government of Chancellor Helmut Schmidt and thrown their support to the conservative Christian Democrats under Helmut Kohl. The stunning shift of allegiance had caused the Free Democrats to lose members and money, and they looked to big business for help. A letter from Mr. Merkle to industrialists noted dryly that the "existence and activity of every political party, thus also the Free Democrats, has certain material prerequisites."

Gatherings of political leaders and their business benefactors are hardly uncommon or illegal in Western societies. But Germany has a troubled history of political-industrial entanglements. The Düsseldorf meeting has added to the malaise created by revelations of influence-making by the powerful Flick holding company. Flick, which was not among those in Düsseldorf, is accused of going far beyond simple support for political parties it sympathizes with.

Last week, Chancellor Helmut Kohl acknowledged, in nearly seven hours of testimony before a parliamentary investigating committee, that he had accepted \$53,000 in cash for the Christian Democrats from Flick. Despite his admission that the payments were improper, his job did not seem immediately threatened because he did not personally benefit. Others have not been so lucky.

In June, Mr. Lambsdorff stepped down as Economics Minister shortly before he was indicted with three other politicians and businessmen for taking Flick's payoffs. The week before last, Speaker of the House Rainer Barzel was forced to resign after he was unable to account for nearly half a million dollars Flick was said to have passed to him in the 1970's via a Frankfurt law firm.

Corporate gifts to political parties in Germany are not themselves illegal, if forthrightly declared and not intended as bribes. Meticulous notes and memorandums kept by Eberhard von Brauchitsch, Flick's deputy chairman, indicate that the company's chief aim was to obtain a waiver of capital gains taxes the company owed on a 1974 sale of a stake in the Daimler-Benz automobile company. But for most companies, the donations serve gen-



United Press International
Chancellor Helmut Kohl appearing before a parliamentary committee investigating Flick payoffs last week.

eral aims, helping to encourage pro-business attitudes among politicians.

As the circle of involvement widened, Gerhard Stoltenberg, the Minister of Finance and chief architect of German economic policy, warned of a wave of "anticapitalism" that could jar confidence in Germany's political and economic stability.

Unlike Flick, neither Bosch nor Henkel is under suspicion of attempted bribery. But for many Germans, reports of huge business donations to political leaders and the clear tilt in generosity to the conservative camp evoked dark images of the Weimar republic. Then, powerful steel barons like Fritz Thyssen and Friedrich Flick, the Flick founder, built their industrial empires by bullying politicians and financing conservative groups in return for business favors, like the generous reimbursement for business losses incurred during the French occupation of the Ruhr in the 1920's. At the same time, the discreet gatherings of industrialists in homes and clubs smacked of earlier clandestine groups, like the notorious Keppler Circle, the businessmen's club that advised Hitler on what to offer industrialists to gain their support.

No serious critic suspects German industrialists of the subversive intentions they had during the Weimar days. Hans Mommsen, a liberal historian of Weimar industrial relations at Bochum University, stressed the difference. Today, he said, "industrialists legitimately attempt to influence the system, while then they blatantly sought to blow it up."

But the associations are unsettling for politicians and businessmen alike, eliciting a protest from Mr. Kohl that "this republic is not up for sale." The result, nevertheless, has been a surge of favor for the small anti-NATO, ecology-minded Greens party, whose antibusiness views rock economic confidence. East Germany has also tried to exploit the scandal. The Communist party daily, Neues Deutschland, recently exulted that "Big Money buys and determines political power in the B.R.D.," the initials for West Germany.

Bonn introduced, long before Washington, legislation to channel taxpayer money to political parties to heighten their independence. In January, West Germany enacted tougher laws to identify political donors. Further legislation is planned to force disclosure of legislators' finances.

German laws permit corporations to deduct only \$600 a year in political contributions, and the Flick investigations have indicated widespread attempts to exceed the limit by channeling corporate donations through dummy organizations. An understandable sense of nervousness pervaded corporate boardrooms last week after a Cologne magistrate imposed a stiff \$144,000 fine on John Werner Madaus, a local drug manufacturer, after finding him guilty of evading taxes on political donations.

'Like Being a Jew in Czarist Russia or Nazi Germany'



United Press International/Mike Theiler
A Sikh, his beard hacked by rioting Hindus, at a refugee camp in New Delhi.

Violence Makes Sikhs Fear For Their Future in India

By JAMES M. MARKHAM

NEW DELHI — Within the past five months, the proud Sikhs of India have experienced two embittering traumas that have radically altered their sense of being full members of a pluralist nation. The first was the bloody army assault in June on the Sikhs' most sacred shrine, the Golden Temple in Amritsar, which had been converted into the bastion of a terrorist movement seemingly bent on carving an independent Sikh state from Punjab. The second shock was the savage wave of murder, looting and arson — centered on Sikh homes, shops, taxis and factories in New Delhi — that washed over northern India after Indira Gandhi's assassination by two bodyguards identified as Sikhs.

"It was really like being a Jew in czarist Russia or Nazi Germany," commented Khushwant Singh, a cosmopolitan Sikh historian whose late father was one of the builders of modern New Delhi. Mr. Singh took refuge in the Swedish Embassy when the massacres started. "I have read about pogroms, but I never expected to be in the middle of one," he said. "The Sikhs now feel humiliated, angry, vengeful — and hunted."

In contrast to many of India's 14 million Sikhs, Khushwant Singh asserts that the Sikh terrorists and the sometimes weak politicians of the Akali Dal, the mainstream Sikh party in Punjab, did much to bring the catastrophe down on their people's heads. But he recounted that in the past few days scores of distressed Sikh friends

had posed the same unsettling question: "Do we have a place in this country?"

The permanent estrangement of the Sikhs would be ominous for the future stability of India. While they make up only two percent of the population, Sikhs hold key positions in the military, the police and the administration. The head of state, Zail Singh, is a Sikh; in 1982 he was elected by Parliament to the largely ceremonial post of president in conformity with the idea of a pluralist state. Sikh farmers in Punjab provide one half of the country's food in a state strategically bordering on Pakistan.

Hard Times for Tolerance

Scattered across India in industrious pockets, turbaned Sikhs dominate the transport and vehicular spare parts business in the north and are vital for sustaining other sectors of the economy. As New Delhi sank into its worst butchery since the independence "days" of 1947, plaintive television appeals of Indian Airlines, urging its staff to return to work showed how dependent the line was on Sikh pilots and mechanics to keep its planes aloft.

Mrs. Gandhi's refusal to dismiss Sikh bodyguards in her entourage, as urged by some of her security guards after the Golden Temple assault, was also a gesture to the vision of a tolerant, secular India. The gesture cost her life. Last week Sikhs were being systematically weeded out of sensitive security posts as suspicion and estrangement accelerated.

Sudhir Kakar, a psychoanalyst who has written penetratingly about Indian society, said that initially Sikhs re-

garded the assassination "as a very small section of the Sikhs making war on the state. But for the Hindus," said Mr. Kakar, who observed a rampaging mob burn a Sikh school in his middle-class neighborhood, "it was perceived that the Sikh people made war on the Hindus whose leader, ironically for her, had become Mrs. Gandhi." He said he feared that the ensuing carnage among the Sikhs "may have given violent birth to a new identity, a new minority."

In his first days in office, Prime Minister Rajiv Gandhi made several efforts to assuage the aggrieved Sikhs, visiting parts of the capital where the killing had taken place and meeting conspicuously with prominent Sikh jurists, educators and industrialists. He also declared firmly that the work of two assassins should not besmirch the name of the entire Sikh community. "Knowing him from the past, I think that Rajiv will try to reach out to the Sikhs," said Amarendra Singh, the young Sikh Maharajah of Patiala, who attended the exclusive Doon School with the man who is now Prime Minister. The maharajah quit the Congress Party in protest over the Golden Temple invasion.

Since martial law was imposed on Punjab in June, the Sikhs have been bereft of political leadership. The senior figures of the Akali Dal, a party led by big landowners, are still in prison, while the reinstated high priests at the Golden Temple have given wavering guidance to their flock, first regretting, then denying that they had regretted Mrs. Gandhi's assassination. The remnants of the terrorist movement, which drew on the educated unemployed and criminals for support, are hunted by the army. It has not been gentle with detained suspects, estimated by Sikh civil rights activists at 8,000. Others say the figure is lower.

Mrs. Gandhi had announced that Punjab, where the Sikhs are a thin majority, would be allowed to vote in national elections that she probably intended to call in January. Her son may go ahead with elections for December or January, but Punjab, like rolled Assam, might have to be excluded from the vote. Exclusion from the democratic process would perpetuate a dangerous vacuum of leadership, and threaten to turn Punjab into India's Northern Ireland. Already, self-styled spokesmen of an independent Sikh state that would be called Khalistan have surfaced in London, and the cause arouses considerable excitement among the numerous Sikhs living in Britain, the United States and Canada, where many rejoiced at the slaying of Mrs. Gandhi. Indian security officials are worried about parallels with the foreign backers of the Irish Republican Army.

For all its fury and terror, this month's violence did not trigger a massive shift of Sikhs from New Delhi to Punjab. Late last week, Sikh refugees started drifting, gingerly and fearfully, back to their homes in the capital from makeshift camps where they had taken shelter. New Delhi is, in essence, a Punjabi city, and Hindu and Sikh Punjabis, many of them survivors of the 1947-48 bloodletting, built it together. This month many Hindus rescued Sikh neighbors from the marauding bands of untouchables and other slum-dwellers, who had been incited to pillage by thugs and some Congress Party politicians and youth leaders.

In Punjab, ties between Sikhs and Hindus have also traditionally been close, with Hindus praying in Sikh gurdwaras, intermarrying with Sikhs and even having their first sons become Sikhs. These links have been badly strained, although not broken, by Sikh terrorism, whose masterminds presumably wish to provoke an exodus of Hindus from Punjab and an influx of Sikhs living outside it. A Khalistan that emerged from such flights of population would probably be shortlived, and could bring further tragedy to the Sikhs.

Effects of the African Drought May Linger for Years

Politics Tangles the Supply Lines to Ethiopia

By E.J. DIONNE Jr.

ROME — The politics of starvation is politics at its most brutal. It is also often subtle. The logistics of delivering food to hungry people are complicated enough. But there are also governments involved, and political alliances among governments; sometimes civil wars and revolutions get in the way; and famines themselves can have political as well as natural causes.

The current suffering in Ethiopia may go down as a gruesome textbook case of how such factors can combine to magnify a calamity. Some humane instincts have triumphed, such as the spontaneous outpouring of assistance to Ethiopia from Great Britain after the showing of a riveting television documentary that portrayed the agonies of mass starvation.

The United States has also chipped in a substantial share of the food aid to Ethiopia, the Soviet Union's closest ally in Africa. And one relief official said that international cooperation may get an unexpected boost in Ethiopia next week, when helicopters from the Soviet Union begin delivering food parcels from Western countries.

"The balance seems to have tipped in the last few weeks in favor of not letting a million people die of starvation," said Trevor Page, the chief of emergency service for the World Food Program, which is based in Rome.

But getting to that point has been a complicated process, and neither Mr. Page nor other relief officials believe that the political difficulties are close to being solved. The United States, for example, has come under sharp criticism, both privately and publicly, for being slow to respond to the Ethiopian famine.

One of the strongest charges came from the Rev. Charles Elliott, the former director of Christian Aid in Great Britain. He said that the United States and Britain had deliberately withheld aid to Ethiopia in the hope that the famine would bring down the Communist regime.

"They thought that if there was a major catastrophe, it would probably change the regime again," he said last month in an interview with The Observer, the London weekly. "They took the view that if there were another famine, it would serve the Ethiopian Government right, that they had it coming to them." Relief officials here said privately that the United States did express initial reluctance to help in Ethiopia because of the nature of the Government and its ties to the Soviet Union.

American officials bristle at such attacks. "Nobody asks who's sitting in the palace when there is starvation in the streets," said Millicent Fenwick, the American delegate to the United Nations Food and Agricultural Organization in Rome. "When there is starvation, we don't hold back."

American officials, in turn, charge that Ethiopia itself played down the famine until after it observed the



Joanetta Harris/Camera Press/Benoit Gysseberg
Mother and child at a refugee camp in Ibenat, Ethiopia.

10th anniversary of its Communist regime in September, a celebration on which, according to Mrs. Fenwick, the Ethiopians spent more than \$100 million.

There is also the problem of Ethiopia's fierce civil war, which is centered in Tigre, Eritrea and Wollo, three of the provinces worst hit by the famine. "The internal security problem, which is a nice way of putting a very bloody war, impairs the relief effort considerably," said Mr. Page, who has been organizing relief efforts around

the world for two decades.

Western officials are concerned that the Ethiopian Government, which has used brutal repression in the past, could manipulate the famine to undermine the rebels, directing food only to Government-controlled areas. Mrs. Fenwick said that she had heard reports that in rural areas, only people who had joined the Government-sponsored peasant association were given food.

Mr. Page, however, said that food assistance was now getting into the rebel-held areas, although assistance for Ethiopia as a whole was still far less than required.

At this point, political competition may actually help the hungry. Earlier this month, Bulgaria announced that it was pledging \$12.7 million in food aid, two transport planes and two helicopters to Ethiopia. A diplomat in Kenya explained the decision this way: "The West has earned a lot of good will with its efforts in Ethiopia," he said, "and I think it safe to assume that members of the Eastern bloc felt obliged to counteract it."

But this in turn raises other difficulties. James Ingram, the executive director of the World Food Program, put the problem of relief at the most basic level. "It is one thing to get food to Ethiopia," he said. "It is another to insure that it reaches the people who need it." Mr. Page noted that the choice of who delivers the food can sometimes be a highly controversial matter, since the deliverer usually gets the credit. "If you've lost two of your kids and your aunt and finally food arrives, the outfit that delivered it is usually remembered," he said.

At the moment, famines across Africa — in Chad, Mozambique and the Sahel area — are largely the result of drought, which means, according to relief officials, that famines will continue well into 1985. Mrs. Fenwick and Mr. Page noted that famines can become endemic unless countries find a way to become self-sufficient in food. And how a country organizes its agriculture — whether through the state, through privately owned farms or through private cooperatives — is also a political question that can thwart constructive action.

The Economy

His Next Challenge: Keeping the Economy Strong

By PETER T. KILBORN

WASHINGTON
THE campaign for the Presidency is over and the campaign for the President's ear has begun. Ronald Reagan now faces the same contentious economic issue that sank Walter F. Mondale in the Presidential race: to raise taxes or not.

The debate over the wisest way to manage the huge Federal deficit without tipping the economy into another recession is now raging within the White House itself — not between Democrat and Republican, but among the President's own top advisers. The President is likely to stall for a while. But sometime in the first half of 1985, Mr. Reagan will have to make a choice. What he decides will go far to determine the shape of the American economy over the next four years and could ultimately determine the succession to leadership of the Republican party in the post-Reagan years as well. Will a mainstream Republican like Vice President Bush take over after Mr. Reagan goes, or will it be someone like Jack Kemp, the Republican Representative from Buffalo, who has led the battle against higher taxes?

The most likely scenario now is for President Reagan to begin work next year on his oft-repeated promise to simplify the tax code — an exercise that could take advantage of the President's enormous election victory to exploit the "window of opportunity" for legislation that his advisers hope Congress will open to him in 1985, as it did in 1981. Tax simplification, like the flag and apple pie, has broad appeal in Washington on both sides of the aisle, with its promise of lower tax rates for all and its goal of thinning the thicket of preferences and loopholes that many find unfair or too complex.

But simplification could be something more, too: a device to raise taxes, should Mr. Reagan decide as the year unfolds that he has no other option. "The question is, does tax reform become a vehicle for a tax increase?" asked Robert Dederick, senior vice president of the Northern Trust Company in Chicago, who until recently was the Commerce Department's top economist. "Does he allow Congress to pull him along and make a compromise there?"

Mr. Dederick, like others, insists that Mr. Reagan could readily brush aside his campaign pledge to avoid raising taxes. "President Reagan doesn't compromise until he's cornered," the economist said.

In any event, wrangling over simplification, with or without a tax increase, is likely to stretch far into 1985 and possibly beyond as lobbyists descend on Congress to pro-

test all the special ornaments that they have hung on the tax code. In the interim, the Reagan White House is preparing other economic initiatives for Congress of a less sweeping variety.

To reduce the budget deficit, for example, it is nearly certain now that the Administration will propose reductions in Federal retirement benefits, legal service programs for the poor and economic development aid to cities — all old targets of budget reduction that Congress denied the White House during the first term. The Administration wants to rewrite farm legislation to reduce price-support aid and it will propose substantial reforms in the Medicare program.

Since the recession lifted in late 1982, the deficit stands as the sole blemish on the economy's performance. With that lone exception, the re-elected President presides over a more confident, more resilient-looking economy than the nation has seen since the mid-1960's. Trends in social policy that began with Franklin D. Roosevelt and were nourished by subsequent Administrations have been dramatically reversed. In four years, the cycle of rising taxes, rising interest rates and rising inflation, has been arrested — to the surprise of even some of the President's own economists.

The 1981 tax cut takes much of the credit for the economy's remarkable recovery. But the three-year, 25 percent tax rate reduction also gets much of the blame for the Administration's current difficulty, the larger deficit. "The problem is, the President hasn't articulated a strong agenda since he got his 1981 program through Congress," said Alice M. Rivlin, former director of the Congressional Budget Office and now a senior fellow at the Brookings Institution. "He increased defense, cut back on social spending and cut taxes. All of that has been accomplished and we have this huge budget deficit. I don't know how the President is going to get out of that."

There are some who think he does not have to try with anything other than spending cuts. And their view is at the heart of the policy battle that will preoccupy the offices along Pennsylvania Avenue in the months ahead.

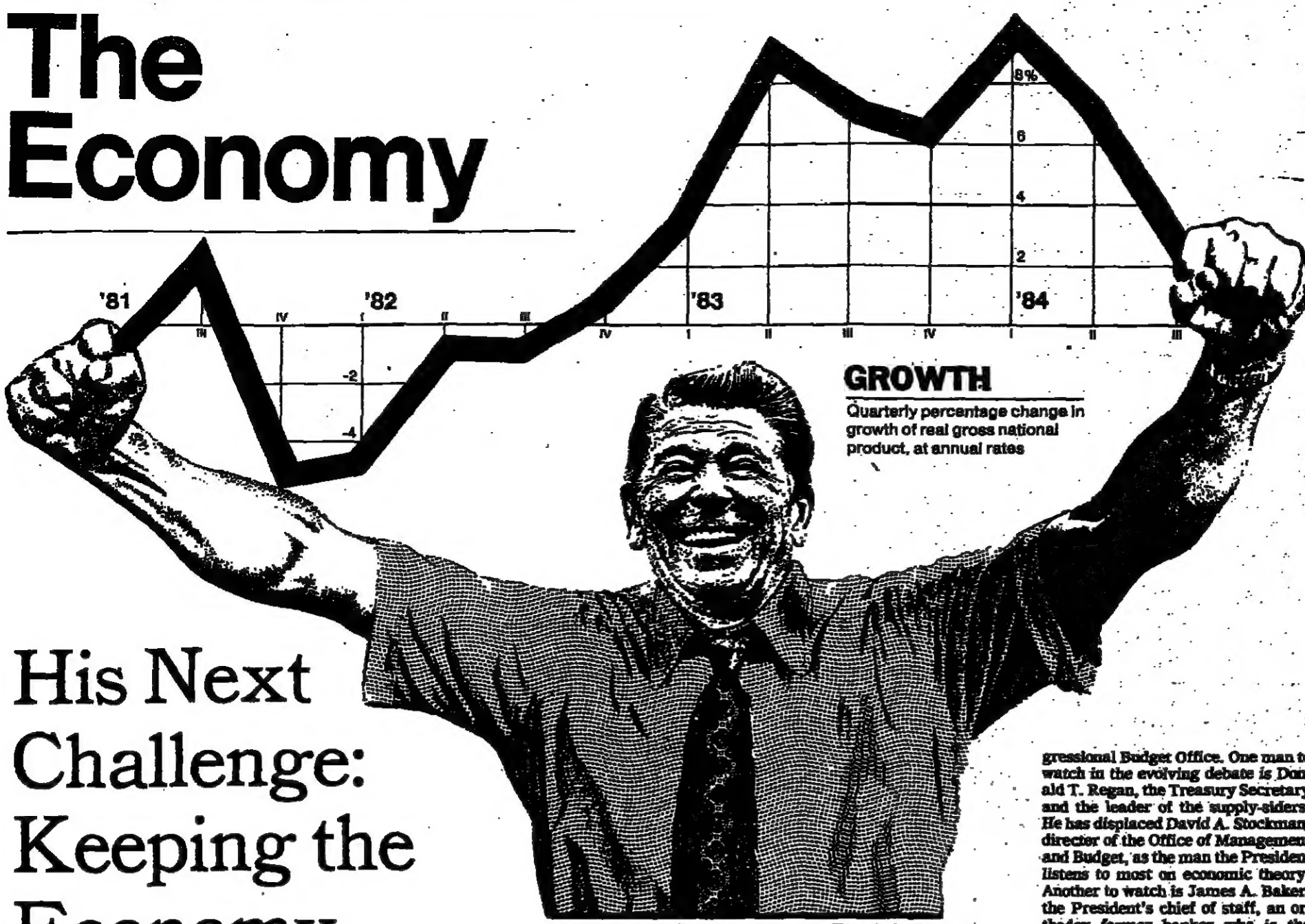
In the first Reagan Administration, there was a dispute about whether the President should even care about deficits, with so-called supply-siders in one camp and more orthodox conservatives in the other.

Now, however, the Administration allows that deficits do indeed matter. They matter because of the burden of the national debt and the cost of carrying it. They matter because financial markets worry that they harbor higher inflation eventually and that leads to unusually high current interest rates, which eventually could snuff out the recovery. Deficits also contribute to the extraordinary strength of the dollar, which foreigners buy to invest in high-interest American securities — a trend that economists expect to slow, bringing down the dollar and provoking painful adjustments.

The division in the Administration now is over how to deal with the annual tide of red ink — \$174 billion last year and a projected \$263 billion in 1985, according to the Con-

GROWTH

Quarterly percentage change in growth of real gross national product, at annual rates



gressional Budget Office. One man to watch in the evolving debate is Donald T. Regan, the Treasury Secretary and the leader of the supply-siders. He has displaced David A. Stockman, director of the Office of Management and Budget, as the man the President listens to most on economic theory. Another to watch is James A. Baker, the President's chief of staff, an orthodox former banker who is the President's chief strategist.

The Baker camp wants the President to consider raising taxes despite Mr. Reagan's campaign pledge to try not to, asserting that there is not enough spending to cut in the budget, not even in the military program.

The supply-siders say nothing could be worse than raising taxes, particularly in a slowing economy. Raising taxes merely re-establishes the big government that Mr. Reagan has vowed to shrink. It would break the new power of the Reagan economy, the strength of business investment and slow the creation of new jobs, the supply-siders add. The tax cuts of 1981, they say, started the country on a road to strong and continuing growth that will eventually bring the deficit into balance by the end of the decade — without any tax increase.

The President could tip either way. In the campaign, Mr. Reagan leaned to the supply side. But at the same time, he signed a deficit reduction bill raising taxes about \$50 billion over three years, demonstrating his willingness to compromise.

While there is no Administration agenda for 1985 yet, other than the President's promise to simplify the tax code, there are nevertheless many wish lists. "Mac Baldridge is walking around with his agenda, Don Regan with another, Ed Meese another," said David Gergen, now at the conservative American Enterprise Institute and until earlier this year the President's chief of communications. "Are they going to take up the department of trade idea?" Mr. Gergen asked, referring to Commerce Secretary Malcolm Baldrige's long-frustrated plan to merge his department with the office of the Special Trade Representative. "I just don't know," Mr. Gergen said.

But some likely proposals for changes in specific economic policies are beginning to take shape. The most controversial so far concerns Medicare, where the Administration is pondering something new. In the first Reagan term, it proposed raising the premiums that beneficiaries pay to maintain the program and raising the deductible amounts they must pay before they qualify for reimbursement.

The proposals were killed by opposition from retirees, who proposed, instead, that the Administration reduce the cost of Medicare by stopping the growth in hospital and physician fees. Though there was some movement in this direction during the first Reagan years, the White House hopes to move further. "It's price fixing," an Administration economist said. "But that's the way the political trend has moved."

Many in the Administration would also like to terminate the "voluntary" restraints on imports of Japanese cars, adopted four years ago when the domestic industry was reporting massive losses. The industry is pressing the Administration for a fifth year of restraints, but one of its economists said the Commerce Department was pondering a compromise: The Administration would allow the companies some relief on meeting the Government's automobile fuel-efficiency standards in exchange for ending the quotas.

In addition, the Administration is likely to press for-

ward with the decontrol of the nation's banking system and with proposals for major changes in the deposit insurance programs for banks and thrift institutions.

The shape of such policy decisions will depend largely on who is closest to Mr. Reagan, and that is where speculation abounds these days in Washington. "My boss wants to stay," the secretary of one senior economist said. "But he doesn't know. There are so many musical chairs. We all have to submit our resignations and then hope they don't pick them up."

A half-dozen household names are jockeying for spots in the pecking order around the President. The most intriguing rumor, and one of the most frequent, has Mr. Baker succeeding Mr. Regan as Treasury Secretary this year or sometime next year after the dust has settled around the President's new legislative proposals. "Extremely unlikely," a friend of Mr. Baker said. "Crazy," one of Mr. Regan's aides said. But the rumor persists. The Administration view is that most of the top officials will stay in place, at least through most of next year. Mr. Regan and Mr. Stockman might then depart. And Mr. Baker might step over to the Treasury.

Then there is the Federal Reserve Board. No one knows what Paul A. Volcker, its chairman, had in mind when he said during his renomination hearings a year and a half ago that he might not stay through the full four-year term. Some have suggested that he might move to the World Bank and replace A. W. Clausen as president. Mr. Clausen, former chairman of the Bank of America, has become a thorn in the side of the Administration, and his term is up next year.

One of Mr. Volcker's senior aides suggest that the chairman might leave the Fed next January. Another insists he plans to stay put. Either way, the jockeying has begun. One candidate to succeed him is Preston Martin, the Fed's vice chairman, a Reagan appointee and a former businessman with supply-side leanings. Another is Paul W. McCracken, former chairman of President Nixon's Council of Economic Advisers, whose views are more conventional. In addition, the terms of two Fed governors expire during Mr. Reagan's next term, offering him an opportunity to put his stamp on that powerful central bank for years to come.

Rumors swirl as well around the fate of the Council of Economic Advisers, often a pivotal influence on policy. Its most recent chairman, Martin S. Feldstein, departed in July after two years of ideological disputes with the Treasury's supply-siders. With one seat on the three-person council vacant, William A. Niskanen has been in charge, but without the chairman's title. He has told the White House he will leave early next year if it does not elevate him. And William Poole, the other member of the council, will return to his teaching job at Brown University in January.

The White House is required by law to appoint a chairman eventually. Three names keep coming up in the speculation: Beryl W. Sprinkel, the Under Secretary of the Treasury for Monetary Affairs; Jack Albertine, head of the American Business Council, a business lobby, and Rita Riccardo-Campbell, an economist at the Hoover Institution at Stanford. Mr. Sprinkel also figures prominently in speculation over the succession at the World Bank.

Right now, supply-siders are particularly concerned over the vacuum that Edwin Meese 3d, the Presidential counselor, will leave behind when he takes over as Attorney General. Supply-siders see Mr. Meese, a lawyer and one of the President's most senior aides, as a fellow trav-

The shape of major policy decisions will depend on who is closest to Reagan, and that is where the speculation abounds.

eler and as their strongest voice in court. In the face of widespread rumors that the President will leave the Meese position in the White House empty, Human Events, one of the President's favorite conservative journals, urged last week that Mr. Reagan bring William P. Clark back from the Interior Department.

The positioning for power in the White House involves more than matters of personality. It comes down to the fundamental split between the supply-siders and the orthodox Republicans. "If Jim Baker takes the Treasury," said Paul Craig Roberts, an Assistant Treasury Secretary early in the Reagan Administration and Washington's most outspoken supply-sider, "the election will have been irrelevant."

One important clue to which side seems to be winning influence with the President will be the Administration's economic forecast for 1985, the details of which could be published next month. If the prediction calls for about 5 percent growth — more buoyant growth than most mainstream economists are forecasting — the supply-siders will have won a round. A strongly growing economy is much more likely to generate revenues to bring down the deficit than a slower one, thus diminishing the likelihood of a Presidential call for increased taxes.

But a forecast showing slower growth — around the 3 percent that many predict — would increase pressure on the White House to consider a tax increase. There is an implicit danger in that strategy: Higher taxes could tip a weak economy into recession, and that, ironically, could widen the deficit ahead.

WEEK IN BUSINESS

Landslide Election Heartens Investors

Business responded enthusiastically to the landslide re-election of Ronald Reagan. Most executives had backed Mr. Reagan, giving him much of the credit for the economic recovery and noting his generally favorable policies. Now, business leaders said, the President should concentrate on cutting the huge Federal deficit before it becomes more onerous for business.

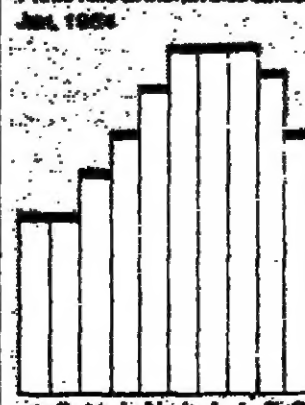
The re-election spurred hopes that the Federal Reserve would ease its monetary policy, allowing interest rates to fall even further. Indeed, major banks cut their prime rates by another quarter-point, to 11 1/2 percent. Although the banks said the move was not related directly to the election, economists said it was indicative of the prevailing optimism, and predicted more cuts.

Stocks jumped early in the week on traders' anticipation of the Reagan re-election and of lower interest rates. Stocks fell back in the three sessions after the election, nearly erasing the gains, but the retreat was laid to profit taking and technical factors. The Dow Jones industrial average ended the week at 1,218.97, up 2.32. A renewed rally could be on the horizon, according to some analysts, as traders gain confidence that inflation is under control.

Bond prices gained as well, although they also fell back in two ses-

Falling Rates

Prime rate of major banks



Source: Federal Reserve Bank of New York

sions as huge Treasury issues came to market. A drop in the money supply of \$500 million, announced Thursday, helped to spur trading in bonds.

The first post-election indicator showed that investors need not be worried yet about a surge in inflation. Producer prices, which translate into consumer prices several months down the road, fell two-tenths of 1 percent in October. Most analysts had expected a modest increase. It was the first time since the mid-1980's that the index had fallen during three con-

secutive months. Analysts cautioned that the drop was due almost entirely to falling car prices; other goods jumped.

Oil prices continued to fall, with Canada and Algeria cutting the price of their crude, and Texaco, Exxon, and Standard and Marathon cutting the price they will pay. Nigeria, continuing to defy OPEC, said it would produce more than its OPEC quota.

High-level trade talks between the United States and the Soviet Union, scheduled for January, would be the first such talks in six years. But there is some doubt as to what can be accomplished. Some American officials fear more trade will result in technology transfers to the Soviet Union. For its part, the Soviet Union uses trade more politically, and it offers markets, rather than products, to the United States.

Equitable Life Assurance offered \$432 million for the Wall Street firm of Donaldson, Lufkin & Jenrette, continuing a trend that has seen new entrants into the financial marketplace. Equitable said it would operate D.L.J. as a separate unit, however, unlike other insurance-brokerage mergers that have blended the two operations. The move was a bit of a surprise to analysts, who noted that D.L.J. has always been a trader, not a follower. Still, analysts noted that the profitable brokerage

house represented a good investment for Equitable, and would allow it to tap into new markets.

Prentice-Hall rejected a \$700 million bid from Gulf and Western as "inadequate," but said it would seek a better offer — from G.A.W. or someone else. G.A.W.'s publishing operations would be very complementary to Prentice-Hall's, but some analysts worried that G.A.W., fresh from two years of divestiture, might be wary of paying too high a price. G.A.W. said it would make its \$70-a-share bid to stockholders.

Argentina's loans are beginning to be classified as substandard by Federal regulators worried about the big payments to American banks. Such a move could block the infusion of new money to Argentina, which could endanger its austerity agreement with the International Monetary Fund. In addition, some regional banks are more reluctant to give new funds to Argentina, making it more difficult for the big money-center banks to arrange a restructuring of Argentina's debt.

Warner and Polygram decided against merging in the face of antitrust opposition from the Federal Trade Commission. The merger would have created the nation's largest record company and would have given each company wider access to more markets here and abroad.

The New York Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED NOVEMBER 9, 1984				
(Consolidated)				
Company	Price	Change	Volume	Net Chg
Tenneco	8,221,100	37 1/2	1 1/2	+ 1 1/2
Cl Data	6,511,000	36 1/2	1 1/2	+ 1 1/2
IBM	5,528,700	123 1/2	2 1/2	+ 2 1/2
Exxon	5,351,900	43 1/2	1 1/2	+ 1 1/2
AT&T	5,166,900	18 1/2	1 1/2	+ 1 1/2
Hunt PK	4,823,400	34 1/2	1 1/2	+ 1 1/2
Star T	4,063,700	3 1/2	1 1/2	+ 1 1/2
Es Kod	4,048,900	73 1/2	1 1/2	+ 1 1/2
AT&Pw	4,025,900	20 1/2	1 1/2	+ 1 1/2
GMot	4,024,000	77 1/2	1 1/2	+ 1 1/2
Un Elec	3,854,300	16 1/2	1 1/2	+ 1 1/2
Chrysler	3,777,700	30 1/2	1 1/2	+ 1 1/2
Am Exp	3,696,700	36 1/2	1 1/2	+ 1 1/2
Un Tel	3,612,900	21 1/2	1 1/2	+ 1 1/2
Ford MK	3,296,900	47 1/2	1 1/2	+ 1 1/2
Standard & Poor's				
400 Index				
191.4	187.9	188.1	+0.18	
20 Transp	141.7	138.9	139.6	+0.13
40 Util	74.4	73.3	73.5	+0.22
40 Financial	18.6	18.1	18.3	+0.13
500 Stocks	170.4	167.3	167.6	+0.16
Dow Jones				
30 Index				
1247.4	1212.5	1215.9	+2.32	
30 Transp	842.8	830.1	832.4	+0.11
15 Util	147.2	143.2	145.7	+1.05
65 Comb	493.2	479.8	483.7	+1.54
The American Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED NOV. 9, 1984				
(Consolidated)				
Company	Price	Change	Volume	Net Chg
Pfizer	4,302,000	73 1/2	2 1/2	+2 1/2
Wing	1,791,800	27 1/2	1 1/2	+ 1 1/2
Enth	1,466,700	10 1/2	1 1/2	+ 1 1/2
Dome	1,390,900	2 1/2	1 1/2	+ 1 1/2
BAT	1,093,300	3 1/2	1 1/2	+ 1 1/2
GNCO	878,700	13 1/2	1 1/2	+ 1 1/2
Helzer	688,900	8 1/2	1 1/2	+ 1 1/2
Datapl	590,500	16 1/2	1 1/2	+ 1 1/2
Unile	523.2	16 1/2	1 1/2	+ 1 1/2
TE	522,100	9 1/2	1 1/2	+ 1 1/2
MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
1,285	702	2,254	180	32
1,284	703	2,254	117	53
VOLUME				
Company	Price	Change	Volume	Net Chg
Total Sales	488,055,170	20,208,150,572		
Same Per. 1983	360,388,567	18,543,824,445		
WEEK'S MARKET AVERAGES				
High	Low	Net	Chg	
113.7	112.8	40.08		
105.5	104.4	48.8		
105.5	104.4	48.8		
105.5	104.4	48.8		
105.5	104.4	48.8		
New York Stock Exchange				
Index	Price	Change	Volume	Net Chg
113.7	112.8	40.08		
105.5	104.4	48.8		
105.5	104.4	48.8		
105.5	104.4	48.8		
105.5	104.4	48.8		
American Stock Exchange				
Index	Price	Change	Volume	Net Chg
105.5	104.4	48.8		
105.5	104.4	48.8		
105.5	104.4	48.8		
105.5	104.4	48.8		
105.5	104.4	48.8		

The New York Times

Founded in 1851

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New Ideas

After so many balloons, so many primaries and so much political opinion, it's easy to forget that the first chance most Americans had to send 'em a message this year didn't come until last Tuesday. They sent two.

First: They like and trust Ronald Reagan — and the Democrats couldn't do anything about it. The President's 18-point margin over Walter Mondale in the popular vote was almost exactly the same as his lead in the polls last January. Is it possible that the whole long, arduous campaign was mere embroidery on the inevitable?

Second: Let the good times roll. Don't change a thing. Republicans and Democrats exchanged slight gains in the House and Senate; Republicans gained only one governorship. If that's a mandate for any philosophy, it's the one called Status Quo.

Once, Democrats were seen as the party to keep the country out of recession and the Republicans as the party to keep the country out of war. In a time of peace and prosperity, Ronald Reagan again has eaten the Democrats' lunch.

Remember what commentators said in 1980 when that happened the first time? That the old New Deal coalition was dead. That what Democrats and John Anderson moderates desperately needed was "a new liberal agenda."

It's almost embarrassing to look back on that now. The old New Deal coalition, though 50 years old, remains very much alive. Look at the exit poll data on voter blocs and observe the very few among which Walter Mondale triumphed. He won the black vote, 90 percent to 9... the unemployed, 88-31... Jews, 66-32... Hispanic voters, 65-33... big-city residents, 62-36... union members, 57-41.

The Baboon Heart and Baby Fae

The baboon heart transplanted into Baby Fae opens a new and so far uncertain avenue of medicine. It provokes the usual train of questions, clouded in this case by unusual maladroitness at the Loma Linda University Medical Center in presenting full information.

Leonard Bailey, the surgeon, says he prepared for such an experiment by doing cross-species transplants in animals for seven years. Though none lived more than six months, he persuaded the hospital's ethics committee that he had established a credible basis for taking the operation to humans.

The ethics committee should probably have asked Dr. Bailey to insure that no human heart was available for his patient. It seems not to have done so, but that's a minor lapse. It was because infant hearts are so rarely available that Dr. Bailey looked to baboon hearts to remedy the defect he is treating.

Having found a patient with hypoplastic heart, a fatal inborn defect in which the heart has only three instead of four chambers, Dr. Bailey then obtained the parents' informed consent. Because the hospital refuses to release the consent form, it's unclear how fully the parents were informed of an alternative treatment in which the hypoplastic heart is reconstructed surgically. But since that treatment, too, is highly experimental, the point again is minor.

If ethics committee approval and informed consent were properly obtained, Dr. Bailey had every right to proceed with his experiment. It would have been reassuring if articles about the underlying animal experiments had been published in scientific journals, not rejected as Dr. Bailey complains. But many important novel ideas have been rejected by

Complaining about these pillars of traditional Democratic politics is like the preacher berating the congregants who come to services for the tranquility of those who don't. The Democrats' problem is not among the faithful but among the rest.

How much of a new liberal agenda have the Democrats devised in the last four years? Gary Hart endorses new ideas but as the man said, where's the beef?

Walter Mondale's new liberal agenda sounded a lot like the conservatives' old one. "I heard you," he said last summer to people who voted for Ronald Reagan in 1980. "Look at our platform. There are no defense cuts that weaken our security; no business taxes that weaken our economy; no laundry lists that raid our Treasury."

Where were the ideas or issues to appeal to successive generations of voters? As it turns out, young people did not vote for the President any more heavily than the rest of the electorate. But even that shocks Democrats who think theirs is the party of progress and change.

It's not as if the country lacks for issues. Environmental concerns, particularly toxic-waste disposal, alarm many voters, especially younger, better educated ones. Crime has been a national concern at least since Barry Goldwater made it one in 1964, but why is it so predominantly a Republican concern when there are good nonpartisan ideas on the table like the Police Corps?

Without a new agenda, all the Democrats seem to be saying is, "Just wait for the inevitable slump. Just wait till unemployment starts climbing toward 11 percent again. Then you'll see we were right, and you'll vote for us again." Rooting for recession is neither a new idea nor a good one.

reputable journals. If the experiment had been funded by the National Institutes of Health, and therefore approved by a group of fellow experts, that would be another seal of approval. But Dr. Bailey can hardly be faulted for raising private funds for his research.

Is there a chance that the baboon heart transplant will lead to a useful technique? Unlike the mechanical heart inserted into Barney Clark, the baboon heart could allow Baby Fae to lead a normal life. She may have to endure repeated episodes of rejection, but the chance of success makes the risk worth taking.

Even if this experiment fails, it could prompt a wider look at the use of animal hearts to treat other heart defects, particularly if the drugs used to prevent rejection prove successful. The deeper issue is whether it's wise to develop surgical procedures of such extraordinary expense.

Baby Fae's heart transplant may cost \$1 million. Loma Linda University Medical Center is paying this time, but it will be hard to deny the operation, if successful, to parents of other Baby Faes, about one in every 12,000 births. That'll be a heavy drain on resources that almost certainly would save more infants' lives if spent on preventive measures.

Like Barney Clark, Baby Fae is the subject of intense public interest because of the extreme novelty of all forms of heart transplant. But these heroics, because of their expense, are bound to be a mixed blessing. New ways of curing heart disease are worth a cheer. New ways of preventing it are worth three.

Topics

Overbite and Undertone

The Tooth Fairy

It's been our theory that impressionable juries are to blame for those wild damage awards that raise insurance costs — and that judges alone stand between greedy plaintiffs and social bankruptcy. But the new fashion in Manhattan, it seems, is for the judge to play tooth fairy.

Supreme Court Justice Louis Kaplan sat without a jury to hear Gina Lollobrigida's \$10 million suit against a restaurant. It seems that while dining at Trader Vic's four years ago, she bit into a shrimp and damaged one tooth on a "brown, pebble-like substance." Her dentist, and dinner companion that night, made the necessary repairs and estimated the cost at \$1,000. Justice Kaplan decided that the restaurant owed the actress not her absurd claim of \$10 million. Only the paltry sum of \$90,000.

Does the justice believe the actress was permanently disfigured? Devalued as a film star? Deprived of the meal of a lifetime? Or was he accustomed in childhood to extravagant rewards for a tooth 'neath his pillow? Let an appeals judge with his wisdom teeth intact atone for this reckless extraction.

High-Tech Toothpaste

A ritual squeeze in the morning, another before going to bed and occasionally one between meals. We've

taken the toothpaste tube for granted. But not any more. If toothpaste manufacturers have their way, it will go the way of the cloth diaper and the glass milk bottle, supplanted by the toothpaste pump.

We're not Luddites; we can see progress here. The toothpaste pump can end those spousal squabbles that arise when he squeezes from the middle or she doesn't replace the cap. No more angry parents when the 3-year-old squeezes a hole out the bottom.

Still, those idiosyncrasies aren't entirely unwelcome and that's why the toothpaste pump isn't entirely taken. In a world increasingly taken with easy, instant, fast and frozen, the well-used toothpaste tube retains some personality.

Underground Music

New York subway riders have learned to dread the itinerant musicians: the saxophonist who hawks out choruses of "Blue Moon" while struggling to keep his balance in a moving car; the accordionist who grinds out old polkas on packed trains.

But the other evening on a BMT platform at Times Square, a violinist offered selections from Bach and Paganini with style and mastery. Between numbers, he kept up a friendly line of patter about the music and the fun of playing for a subway crowd.

His Brooklyn-bound blue-collar audience was appreciative. When a train arrived, drowning out the performer, many paused to drop coins or bills in his violin case. Why does the violin enthrall while the accordion irritates? Because even in a subway, no performer in New York should ever underestimate the audience.

Mouths to Feed

On the night of Nov. 26, some 900 New Yorkers will spend \$300 apiece for a good meal. The 80 restaurateurs who produce the meals, however, won't get a cent. Instead they'll turn the money over to the city's Department for the Aging for Citymeals-on-Wheels, thereby feeding at least 5,000 more New Yorkers, all of them elderly and homebound.

The department can provide its clients with five hot meals a week. But it can't also give them holiday or weekend meals without help from the private sector. That's where the restaurateurs and other contributors come in. Since 1981 they've raised more than \$1 million for Citymeals.

Food fans James Beard and Gael Greene, who dreamed up this no-overhead, no-pain enterprise, deserve a hand. So do the 80 restaurateurs who are feeding so many for the price of one.

Letters

Strategies for Graduates in the New China

To the Editor:

The impatience and disappointment expressed by the authors of "Chinese Reformers' Task" (Op-Ed, Oct. 28) is common to many who believe that China should take quicker steps toward greater economic and intellectual freedom. Those of us who value freedom are sympathetic to such feelings. Nevertheless, the authors' concern that China's most recent economic reforms are inadequate is based on some inaccurate observations about China and an erroneous analysis of the economic consequences of the reforms.

The authors write that even though decision-making powers and accountability have been handed down to the managers of enterprises, job assignments in cities will still be determined by party leaders. If such an arrangement worked perfectly, job seekers who were ideologically pure would receive the best jobs, and those who disagreed with job assignments would get the worst jobs. This would not only put pressure on all to conform, but would also leave no autonomy for managers to choose their workers.

Fortunately, the arrangement does not work perfectly. As a teacher of college seniors at Anhui University, Anhui Province, I was able to observe my students go through the job-assignment process. Although it is true that the party leaders were in charge of assigning graduating students to jobs, most of the more enterprising students managed to circumvent the leaders' decisions: before graduation they hustled to find some manager or person in power, usually a friend of a friend of a relative or

the like, to pull strings for them. The boldest and most aggressive students found good jobs. Furthermore, it is gradually becoming possible, albeit not yet common in China, to change jobs if dissatisfied. Thus, party control over job assignments is weakening and, consequently, is no longer so powerful a tool to limit intellectual freedom.

The authors also warn that the economic reforms may cause "price spirals" (I assume by "price spirals" they mean ever-increasing prices) and that price rises will lead to "stockpiling of goods." The relaxation of price controls and abandonment of price subsidies will cause a rise in prices, but when prices reach their equilibrium — that is, when they reflect true demand-and-supply conditions — they will stabilize. This is how the free market works.

If the prices of goods rise so high as to discourage people from making purchases, perhaps there will be a temporary stockpiling of goods. However, since there is now to be some price flexibility in China, suppliers can lower their prices until they are able to sell their goods, avoiding an excess supply in the long run. The problem of stockpiling is alleviated, not exacerbated, by the reforms.

This, again, is how the free market works. Ironically, the authors' arguments sound like often-used arguments against a laissez-faire economy and in support of government control, rather than arguments for economic freedom.

China's leaders have initiated numerous changes to liberalize their nation's economy. They should be ap-

plauded for their efforts and for the results they have achieved. Criticism can be constructive, but only if well founded in fact and in an understanding of the forces that dictate events; in this case, economic forces.

PATRICIA L. EYSTER
Washington, Oct. 29, 1984

The writer is an international business consultant who specializes in Chinese affairs.

Deng Delivers

To the Editor:

American observers of China tend to underestimate Chinese potentials and capabilities, and fail to grasp the full significance of the changes taking place in China.

Even though he is Chinese, Liang Heng is no exception. In his article, written with his American wife, Judith Shapiro, he sounds a pessimistic note, saying China's urban reforms may not succeed because freedoms are too limited and because of resistance from those who stand to lose.

The claim that enterprises lack basic autonomy shows a misunderstanding of the reforms. The reform of the planning system involves drastically reducing the scope of the mandatory plan, while enlarging the guidance plan, as well as the items whose production is to be regulated by market forces. This means the government will concern itself primarily with macroeconomic goals, leaving microeconomic decision-making to the enterprises.

State-owned enterprises are turned into independent accounting units responsible for their own profits and losses. This is done by an arrangement known as "taxes instead of profits" — taxing enterprises, rather than having them hand over their profits directly to the state treasury. Allowing enterprises to retain their profits after tax, of course, provides an incentive to improve performance.

To make this work, it is also crucial to reform the wage-price structure. Chinese planners are fully aware of the risks this involves. Once government subsidies and controls are removed, prices tend to rise. Indeed, there are already reports of a run on the banks as people try to stock up in anticipation of price rises.

But the Chinese feel the time has come to tackle that knotty problem. They are moving cautiously, gradually removing the supports step by step. And there is a basic difference between China and, say, Poland. The Chinese economy is not in doldrums. It has been growing at a respectable annual rate of more than 7 percent.

True, rising expectations must be met, and Deng Xiaoping's reforms must deliver the goods. The indications are that that is exactly what they are doing.

ZHAO JINGLUN
Research Triangle Pk., N.C., Oct. 31, 1984
The writer, a journalist from the People's Republic of China, is a fellow of the National Humanities Center.

Learn Japanese and Improve Your English

To the Editor:

Recent emphasis in this country on foreign-language study is heartening (news story, Oct. 29). Particularly noteworthy is the startling 40.2 percent jump in college enrollment for Japanese, a rate of growth higher than for any other language, including French and Spanish, the foreign languages most studied in America.

The balance of American economic and even cultural exchange for some time has been shifting to East Asia. Japan, not Europe, is now our most important trading partner. As more Americans learn Japanese, more of our business people will be able to market their wares confidently and directly in Japanese, not ineptly and clumsily through interpreters. This will surely diminish our painful \$30 billion trade deficit with Japan.

A further benefit of the interest in foreign languages, not mentioned in the article, is that to study any foreign language improves expression in one's own tongue. It is hardly coincidental that since the late 1960's, when many American universities abolished foreign-language requirements, the ability of students to express themselves in written and

A あ



Douglas Florian

spoken English has declined. Having taught Japanese on the university level for 10 years, I have seen my students learn Japanese and at the same time come to express themselves better in English.

JOHN K. GILLESPIE
Jamaica, N.Y., Oct. 30, 1984
The writer is assistant professor of Japanese and comparative literature at St. John's University.

To Feed Themselves

To the Editor:

Your editorial "Responses to Famines" [Nov. 4] correctly points out that international politics is not helping to ease the food crisis in Ethiopia.

Nevertheless, even the magnificent relief efforts will not solve the problem of feeding people in Ethiopia or the other African countries. Nations can and must be taught to feed themselves, rather than to rely on others, or, as some did, on oil.

Long after the oil is gone in many of these countries, the truth of an old Chinese thought will endure: By taking food from others, one can eat for only a day; by learning how to plant and grow crops, one can eat every day.

JOSEPH EISENSTADT
Baldwin, L.I., Nov. 4, 1984

Validity of Polls Confirmed Over and Over

To the Editor:

In "Why Trust the Polls?" (Op-Ed, Nov. 5), Edward Costikyan and Lewis A. Kaplan show a lack of knowledge of the subject they purport to attack: "the margin of error" in polling estimates. They describe the reported 4 percent margin of error in election polls as "ludicrous" and state:

"What the pollster fails to report is the degree of confidence one can have in the 4 percent figure. . . . The degree of confidence can theoretically range from 0 percent to 99 percent."

The margin of error commonly accepted in statistics is based on a 95 percent confidence interval, i.e., a calculation that if the same study were done 20 times, the probability is that 19 times the result would be within the

stated margin of error. This is the confidence interval used in the polls.

The validity of polls in national elections over the last 30 years within their margin of error and within the 95 percent confidence level has been confirmed again and again. Moreover, decisions affecting billions of dollars yearly in marketing products, including drugs, are routinely based on such "ludicrous" margins of error.

It seems reasonable to conclude with a 99 percent degree of confidence that Mr. Costikyan, a Democratic Party leader in the city, failed to follow the first axiom for lawyers: get the facts before giving vent to your bias.

DAVID F. DOBBINS
New York, Nov. 6, 1984
The writer is a lawyer.

Sex Education Is Not Like Snake Oil

To the Editor:

Lawrence Shornack (letter, Oct. 14) speaks with a forked tongue when he compares sex education to snake oil, saying research indicates no benefits from such programs. Research can argue both sides, but United States Census figures are more telling. Births to teens 14-19 peaked in 1957 and today are down by over 45 percent.

This sharp, steady decline paralleled the advent of the Pill in 1960, and the doubling of birth control clinics nationwide during that decade. More importantly, this reduction in births to teens began 13 years before abortion was legalized. Conclusion: access to effective birth control significantly reduces births to teens.

But surprisingly Mr. Shornack says teens are prompted to sexual activity by textbooks! To test this, the 1980's are a good control group, for teens then had little if any sex education textbooks or courses. The Pill was not available, and teens knew the strict code prohibiting their sexual activity. Yet their very high rate of births dispels the myth that those restrictive conditions of the 50's promoted sexual decorum. Nostalgia prevents us from learning from the past.

While it may be difficult for the public to resist the unfounded sociological smorgasbord (permissive

parents, society, textbooks, and the stand-bys: sex, drugs and rock n'roll) offered to account for so-called teen sexual irresponsibility today, as a trained sociologist, Mr. Shornack ought to resist such tempting oversimplifications.

Widespread access to modern contraceptives is barely 25 years old, a brief time indeed to expect profound changes in so complex a realm as sexual behavior. We don't expect children to master math or history with a single-course exposure at age 13 or 15; why are we disappointed and angry if they fail to master sexual responsibility in so short a time?

But change does occur with long-term, sequential education, and when schools at every grade-level help youngsters develop self-esteem, individual responsibility, and respect for personal, family, and societal goals. And if that's snake oil, I'll take a dozen bottles, please.

JO ANN S. PUTNAM-SCHOLES
Barrington, R.I., Oct. 28, 1984

The writer has taught sex education in public high schools for 25 years.

Come Run With Me, Says Boston's Mayor

To the Editor:

The City of New York's marathon was a first-class athletic event managed by competent and dedicated people. Despite the large number of runners, the situation was orderly and controlled. Your citizens must be proud of the efforts of the police, the track officials, volunteers, media people and others who, by doing their job so well, left the entire focus on the runners.

It was an honor for me to be one of those runners. The enthusiastic crowds, the route through New York's historic boroughs and the camaraderie among the runners combined to make my first New York City marathon an unforgettable experience.

I look forward to running in your marathon again, but before that, I look forward to meeting some of my new marathon friends in Boston's race in April.

RAYMOND L. FLYNN
Mayor of Boston
Boston, Nov. 2, 1984
The writer ran his first New York Marathon this year in 3:59:46.

The New York Times Company
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World War I; Then, II; Then...

By George F. Kennan

PRINCETON, N.J. — Sixty-six years ago, on Nov. 11, 1918, there ended that four-year orgy of carnage known as the First World War.

When the shooting ceased, some eight and a half million young men lay dead and buried. More than 20 million more had been injured — many of them maimed for life. Nearly eight million were listed as missing or as having been taken prisoner. Of those who survived, countless thousands were to return to their homelands shattered ("shell-shocked" was then the word), confused and desperate, to face the problems of daily life in a society impoverished morally and materially by the enormous wastage the war had involved. And for every one of those who died there were now others, loved and loving, for whom a large part of the meaning of life had evaporated with the news of the particular death in question.

Europe and, in far smaller degree, the United States had sacrificed the greatest capital it possessed, a flesh-and-blood capital — the cream of its young male manpower.

No human mind will ever be capable of apprehending the magnitude of this tragedy. The numbers exceed the individual capacity for imagination. The computer would not know what to make of them. The tragedy of each individual young soldier — cut off in the flower of his years, carrying away with him into the agony and squalor of his battlefield death all that he thought he had been living for and all the hopes and love invested in him by others — was in itself immeasurable, infinite in its way. And then — eight million of them?

The only hope that could have given solace to these men in their final moments and in the hardships endured before was that there was some sense in this great destruction — that it would be, as a people then depicted it, the war to end war and that the triumph of one's particular cause would assure the emergence of a more hopeful, more promising civilization.

Were these comforting assumptions vindicated? Not a bit. The war merely shattered what little unity Western civilization had to that point achieved.

The Russian Revolution — a direct product of the war (although not without other causes as well) — estranged one great portion of the Western heritage for more than half a century to come — and probably much longer.

At the same time, the vindictiveness of the British and French peace terms; the exclusion of Germany and Russia from the peace conferences; the economic miseries of the postwar years; the foolish attempts to draw the blood of reparations and war

debts from the veins of the exhausted peoples of the Continent — these phenomena, all direct consequences of the war, assured that only 20 years later Europe would stand confronted with the nightmare of Adolf Hitler and a second vast military conflagration, comparable in its tragic dimensions to the one that had just occurred. Where, in all this sordid and tragic story, was the meaning of victory?

What then is one to make of this self-destructive madness? One searches through the dusty archives of the prewar years for its reasons — for the failures of understanding and foresight that made it possible.

There was, of course, as has been often pointed out, the failure of the statesmen of the time to realize that another war might be long and unduly exhausting. Many were still bemused by the misleading example of the Franco-Prussian War of 1870-1871: the mirage of the glamorous little war, quickly and dramatically won.

There was the extreme romantic nationalism of the time (and not, alas, of that time alone) — the mass escapism through which people unsure of their personal identity seek reassurance by identification with an idealized national collectivity.

But equally serious, and unnoted at the time, were developments in the military field: the professionalization of the military; the rise of great military bureaucracies, the growing separation of military and political thought, the abandonment of the concept of limited military operations in pursuit of limited aims. In its place, already, were new vainglorious dreams of total war, unconditional surrender and the total victory that was supposed to make all things possible.

And we of this age? How about us? We have before us the example not just of that war but of a second one, no less destructive and even more unfortunate in its consequences. How fine it would be if it could be said of us that we had pondered these ominous lessons and had set about, in all humility and seriousness, to avoid the bewilderments that drove our fathers and grandfathers to these follies.

How nice if we could say that we had recognized the silliness of an entire people seeing itself as more virtuous, deserving and generally glorious than others, and waging self-destructive war in the service of this fatuous illusion. How encouraging if we had grown aware of the unwithstandable momentum of vast military preparations, and if we had recognized the unreality of the very idea of victory in armed encounters between great industrial powers in this age of advanced technology.

If civilization is to survive, these perceptions must come, ultimately, to the governments of all great nations. The question is only: will they come soon enough? The time given to us to make this change is not unlimited. It may be smaller than many of us suppose.

George F. Kennan is author, most recently, of "The Fateful Alliance: France, Russia, and the Coming of the First World War."

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IN THE NATION | Tom Wicker

Reagan and the Court

On the morning after his "bad night" in the first debate with Walter Mondale, President Reagan traveled to Charlotte, N.C., to declare that "busing takes innocent children out of the neighborhood school and makes them pawns in a social experiment that nobody wants."

There in Reagan country, the President may have been puzzled by the chilly silence that greeted this line. He certainly wouldn't have liked the Charlotte Observer's editorial of Oct. 9, headed "You Were Wrong, Mr. President."

Charlotte was the city at issue in *Mecklenburg v. Swann*, the case in which the Supreme Court first ordered busing as a remedy for a segregated school system. Mr. Reagan, typically ill-informed, did not know that more than a decade later Charlotte has a fully integrated school system, called by the Observer "one of the nation's finest" and Charlotte's "proudest achievement."

The President's foot-in-mouth remark even suggested to the Observer, not implausibly, that in a second term he might put justices on the Supreme Court who would "force this community to dismantle its integrated school system," thereby forcing "a tragedy" on "future generations of our children."

But despite his 49-state re-election sweep, Mr. Reagan may not after all be able to replace as many as four elderly Justices with arch-conservatives, reshaping the Court for decades to come. Such a Court, the Observer and other critics fear, would overturn previous decisions on such "social issues" as busing; the Republican platform specifically pledged judicial appointees opposed to abortion.

But Supreme Court nominees must be confirmed by the Senate; and the new Senate lineup — 53 Republicans, 47 Democrats — features three conservative-to-liberal shifts: Albert Gore Jr. of Tennessee for Howard Baker; Paul Simon of Illinois for Charles Percy (a one-time liberal who got the Reagan religion); Tom Harkin of Iowa for Roger Jepsen.

Two new Democratic senators — John D. Rockefeller of West Virginia and John Kerry of Massachusetts — are at least as liberal as the Democrats they replace. Only one Republican, A. M. McConnell of Kentucky, defeated a Democrat, Walter Huddleston; other new Republicans are

conservatives replacing conservatives. Not only is the Republican majority reduced; conservative strength in the Senate is even more so. The loss of the adept majority leader, Howard Baker, who retired to run for President, is also significant.

Mr. Reagan's political power to work his will in the Senate is likely to decline after 1986 anyway. He will then be not only an aging President but one nearing the end of his last term, a political "lame duck." Competition for the succession — particularly in his own party — will have important repercussions in Congress.

Mr. Reagan actually may have only about 18 months to reshape the Supreme Court. That's because the Democrats may well recapture the Senate in 1986; the party in power usually loses seats in such mid-term elections. Twenty-two Republican senators will be running then, but only 12 Democrats — and 12 of those Republicans were first elected in the big Reagan victory of 1980. Some might not have won in other circumstances, and will be prime Democratic targets in 1986.

After 1986, therefore, Mr. Reagan's Supreme Court nominees may have to be acceptable to a Democratic majority; and confirmation of any choice he might send to the Senate after, say, June 1986 probably could be stalled by Democrats until after that year's election in anticipation of a Democratic majority in 1987 and 1988. It's unlikely that four vacancies would naturally occur on the Court in the next 18 months; and Democratic prospects for 1986 could encourage Justices Thurgood Marshall and William Brennan to remain on the Court longer than they otherwise might.

But if Mr. Reagan is thwarted in reshaping the Supreme Court in his own image, partisan Democratic politics will not necessarily be the cause. The Court, after all, is the third branch of government, co-equal with the executive and legislative branches; it is not a body serving at the President's pleasure, as his Cabinet is properly considered to be.

Thus, the President has no constitutional right to appoint anyone he chooses to the Court; and the Senate has no constitutional duty to confirm a nominee who is professionally unqualified or flagrantly ideological. That's one of the "checks and balances" wisely provided by those Founding Fathers whom Ronald Reagan so eloquently extols.



Vietnam Veterans' Trauma

By Herbert Hendin and Ann Pollinger Haas

Every Veteran's Day, we are exhorted to put Vietnam behind us. The individual veteran cannot do that until he has come to terms with the experience. Nor will we as a country be able to make Vietnam part of our past until we have faced what it did

to the soldiers who fought there. When some of the symptoms of post-traumatic stress disorders — nightmares, insomnia, emotional withdrawal and outbursts of anger — were first recognized among veterans of World War I, the condition was assumed to be relatively rare. Only since World War II have we realized that killing and sustained exposure to death have lasting consequences

for a high percentage of soldiers. Audie Murphy, the most decorated American hero of World War II, spent two years with the infantry in southern Europe, during which he was wounded three times and credited with killing 240 German soldiers. When he died in 1971, it was reported that since the war he had been plagued by nightmares in which he relived his combat experiences, and

was unable to sleep without a loaded German Walther automatic pistol under his pillow.

Although no reliable comparative statistics for World War II and the Korean War are available, clinicians who saw veterans after those wars are persuaded that post-traumatic stress is more frequent and more severe in Vietnam veterans. About 50 percent of them are estimated to be afflicted.

Why is it worse after this particular war? The political divisiveness surrounding the war and the lack of support for returning soldiers are often suggested as explanations. But the nature of combat in Vietnam may be even more critical.

To a degree unparalleled in our earlier wars, combat in Vietnam involved the killing of women, children and the elderly — some of whom were armed fighters, some of whom were killed inadvertently and some of whom were killed in angry retaliation for deaths caused by their countrymen. Even in situations where the soldier had to kill to save his life, the guilt is profoundly disturbing.

One veteran who has come to accept most of his harrowing combat experiences is still haunted by the death of an old man who threw a grenade at his squad. Another is tormented by nightmares about an attack in which he shot a Vietnamese woman who was firing at him, only to discover the next morning that he had also killed a baby who was strapped to her back.

The personal pain of Vietnam veterans — their sense of guilt and haunting suspicion that their lives and those of their friends were being wasted — is only aggravated today by the continuing sense that their sacrifices were unappreciated. The Government has contributed to this alienation by its reluctance to acknowledge the frequency of post-traumatic stress disorders and to provide adequate treatment programs.

In fact, increasing numbers of veterans are coming for help, and studies show that many who suffer do not come at all. A high percentage of both groups use drugs or alcohol to alleviate their symptoms. The incidence of suicide is alarmingly high in those who are preoccupied with guilt. The impact of such distress on wives, children, parents, employers and co-workers brings to many millions the number affected by the problem.

Americans have not yet begun to grasp what the Vietnam War and its aftermath have been for those who fought it. The country that asked its young men to fight that war needs to be willing to share the pain that knowledge of the experience entails.

Herbert Hendin, M.D., and Ann Pollinger Haas are the authors of "Wounds of War: The Psychological Aftermath of Combat in Vietnam."

WASHINGTON | James Reston

The Empty Stage

There is now a pause for rejoicing and reflection in the Reagan Administration. The President is at his California ranch for a well-deserved rest. The Democrats are nursing the wounds of their third defeat within four Presidential elections, and the carpenters are building the stage on the east side of the majestic Capitol Building for the inauguration ceremony.

For the moment, it is an empty stage, a platform of raw yellow lumber still under construction. But on Jan. 21 it will be draped in the colors of the flag, alive with the sound of music and the murmurs of the crowd, awaiting the oath of office and the voice of the President.

What will he say about the meaning of his spectacular victory? Will he see it as a mandate to continue his policies of the past, or as an opportunity to define his vision of the future? Beginning with his inauguration speech and going on to his State of the Union address and the first budget of his second term, Mr. Reagan will have the world as his stage.

About his objectives of peace and prosperity there is no doubt. But on the means to these ends he faces in the new Congress, in the nation and in the world a clash of contradictory opinions dogmatically held and often acted upon with the violence of fanaticism.

The President doesn't really have "four more years" to deal effectively with his domestic and foreign problems. It is in the first year, when the influence of his victory will be at its height, that he will have the best chance of dealing with his two most pressing problems.

They are the control of the nuclear arms race and the control of the national budget, with its alarming fiscal and trade deficits. Two facts illustrate the importance of time in dealing with these problems.

First, the production of nuclear

are now going, the United States "will become the world's biggest debtor nation by 1986."

Here at home, Mr. Heller says, "The combination of big deficits, escalating Federal interest costs and a Federal debt scheduled to rise from \$1.6 trillion today to \$3.1 trillion in 1989 keeps the financial community uncertain, uneasy and in fear of a new outbreak of inflation."

The Reagan Administration does not deny these depressing figures but insists that with confidence in the President's policies and the cooperation of Congress we can grow our way out of these difficulties. In the election, Main Street seemed willing to hope so, but Wall Street is far from sure.

In the present belief that the elec-

tion is over and that Mr. Reagan has the support of the vast majority of the voters, however, the time has come to fill the empty stage and listen to the President's policies for the future.

Mr. Reagan loves to campaign and is better at it than anybody since Roosevelt. But governing — deciding between the tradition of the past and the requirements of the future, firing incompetents and replacing them with capable yet independent minds — this is not his favorite pastime.

Before long, however, he must fill the empty stage with the policies and people he means to depend upon in the next four years. After all, four or five new nuclear missiles a day and debt interest of \$256 million a day are not the sort of things you can dispense with with a wave and a smile.

Unions in Politics

by Victor Gotbaum
Executive Director, DC 37

This column is excerpted from an article published before Election Day in *Crain's New York Business*.

As the long campaign winds down, there is no doubt that the labor movement took a quantum leap forward in American politics in the 1984 election.

Media and other pundits will simplistically discuss a Mondale win or loss as a corresponding win or loss for labor. As usual, they will discuss their own perception of reality, a surface glimmer of what took place.

The fact is, by its actions in this campaign labor has won a new position in American politics regardless of which candidate wins.

For the first time, labor, through the AFL-CIO and its head, Lane Kirkland, stepped out before the Presidential Primaries and selected the candidate it preferred. Traditionally, the AFL-CIO chose not to participate in Presidential primaries. Normal procedure was for labor to wait attentively in the wings till the Democratic candidate was decided upon and then roll into formation behind the campaign efforts in the weeks between Labor Day and Election Day. Many of us found ourselves mustering up enthusiasm and resources for the "lesser of two evils," not the candidate who would have been our first choice.

This election saw a major change. From his first weeks in office, Lane Kirkland pursued the idea of making labor a more involved participant in the Primary process.

When the AFL-CIO endorsed Walter Mondale over the other candidates early in 1983, it committed itself to active support throughout the Primary process. Moving off the sidelines meant taking risks and assuming responsibilities. Labor did both.

Immediately Mondale was labelled "a captive of special interests." The Mondale campaign was proclaimed a test of labor's ability to "Deliver." The basic reasons for endorsing Mondale, the quality of government labor envisioned under Mondale as President, rarely, if ever, broke into public attention.

Behind the scenes, though, the unions became a major force in Mondale's state-by-state campaigns. Union leaders were brought into the earliest strategy meetings. Union members mounted the local phone banks, mail drives and door-to-door canvases that form the sinews of any effective campaign.

In many states the union drives were the strongest and best organized.

In the process we learned. The union apparatus can be potent but when a broad public momentum is running against a candidate as when Hart swept the New England states, unions alone could not stem the tide.

In close races unions can make the difference. Union man-and-woman-power, union media and union skills in organizing can direct and deliver a candidate's message to thousands and thousands of voters. Mondale had the victories to prove this.

When the Democratic Party gave its nomination to Walter Mondale the unions were in place and ready to roll in the campaign against Ronald Reagan. Labor representatives assumed key posts in the campaign. In New York, members of my union will make 90,000 phone calls for their candidate.

So, as this is written I must consider the possibility that it is being read by an audience who just learned that labor's candidate lost. If this should be, there will be those who eagerly shout that "labor lost," "labor can't deliver."

But there will also be the people who know politics, who engage in politics, who understand politics. They will know how much labor's support meant to Walter Mondale in the primaries and the election.

They will know, too, how much labor's support, or labor's opposition, can mean in any campaign, local or national.

Whether it's a City Council race, or the next Presidential campaign in 1988, people who know politics will be knocking on labor's door again and again hoping to enlist union support for their candidates.

District Council 37, AFSCME, AFL-CIO

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Now it Seems No One Killed Mozart

By DONAL HENAHAN

Be honest, now. No matter what the evidence, wouldn't you rather go on believing that somebody murdered Mozart, if only by psychological means as in "Amadeus," than that he died of natural causes? There must be a human instinct that favors complication over simplicity. It makes us take pleasure in conspiracy theories, no matter what the evidence says. It results in mystery stories taking up nearly as much space in book stores as books about cats.

Still, facts must be pursued and recorded, if only to keep historians employed. And so, let us pay attention today to the testimony of Dr. Peter J. Davies, whose two-part series on Mozart's illnesses and death in the British journal *Musical Times* concluded in the October issue. Dr. Davies surveys all the evidence available to medical science and leaves the disinterested reader in no doubt: Antonio Salieri is innocent and so is everyone else. No matter what Mozart himself suspected or what crimes Salieri may have confessed to in his last, insane years, it is clear that Mozart was not poisoned or otherwise a victim of foul play, Dr. Davies insists. Against all odds, he hopes to end

a whispering campaign that has been going on now for nearly two centuries.

Aside from the cogency of Dr. Davies's diagnosis, admittedly a long-range job based on descriptions of Mozart's illnesses by medically untrained friends and doctors with rudimentary knowledge by modern standards, the deepest impression left by this study is the composer's lifelong history of sickness. From childhood on, Mozart suffered from a series of ailments that by rights should have sucked all creative energy from him. Letters and other documents describe upper respiratory tract infections, body lesions, tonsillitis, severe toxemia, delirium, skin rash, pneumonia, typhoid fever, rheumatism, rheumatic fever, smallpox (his face was permanently disfigured by the disease), dental abscess, bronchitis, yellow jaundice, catarrh, pains in the eyes and ears, viral infection and much else. Seldom, it would seem, was he in even moderately good health.

In 1791, the last year of his life, Mozart suffered from a staggering variety of ills, unusually debilitating even for him. His spells of melancholy, which had become frequent after the summer of 1788, intensified and were associated with delusions and an evident change in personality. He had lost both his parents, was separated from his

sister. Four of his six children died before maturity. His wife Constanze tolerated pregnancies poorly, fell into ill health and went off to the spa at Baden four times to recover. While writing "The Magic Flute," he frequently fainted and remained unconscious for several minutes. Even before that time he had suffered fainting spells that seem to have exhausted him and deepened his depression.

Although only 35 years old, he became preoccupied with thoughts of death and developed paranoid symptoms. One day while walking in Vienna's Prater Gardens with his wife he said he knew he was being poisoned and would soon die. The person poisoning him had calculated the exact time of death, for which a Requiem had been commissioned, the Requiem that Mozart himself was then writing. This evidence of apparent delusion comes from Constanze, as related in Mary Novello's diary 38 years after Mozart's death. Of course, like any second- or third-hand testimony by survivors and other interested parties, such a story cannot be taken without skepticism. A great deal of other anecdotal evidence falls in the same line.

However, from such posthumous reminiscences we learn that during his final days Mozart developed swollen hands and feet, painful swelling of joints, bouts of violent vomiting, fever, diarrhea and paralysis or partial paralysis on one side of his body. He also became so sensitive to the song of his pet canary that it had to be removed from an adjacent room because its song overtaxed his emotions. His sister-in-law Sophie said that shortly before his death at 12:55 p.m. on Monday, Dec. 5, 1791, he attempted to raise himself from the bed, opened his eyes wide, then laid down with his face to the wall and puffed out his cheeks. Sophie thought he was imitating the trumpets and drums in a passage from the unfinished Requiem.

Dr. Davies methodically retraces the many theories about Mozart's medical history and death to show their fatal flaws. He notes that the official cause given in the Register of Deaths, *Hitziges Frieselfieber*, or "heated military fever" meant nothing specific and referred merely to an illness associated with fever and skin rash. Early biographers took the term to denote malignant typhus fever, but Dr. Davies says this diagnosis does not take into account the chronic nature of Mozart's illness. Nor does a later diagnosis of blood poisoning. Several authors have speculated that the cause of death was uremic coma resulting from end-stage kidney disease, but they do not explain the polyarthritides and the epidemic nature of the final illness. Rheumatic fever, proposed by Carl Bär in 1896, would account for the epidemic nature and polyarthritides but also fails to take into account the chronic ill health during Mozart's final year. The bloodletting performed by Dr. Matthias von Sallaba in the last hours probably hastened rather than caused death.

I skim the surface of Dr. Davies's long-range autopsy. Like most researchers before him, he eliminates death by aqua toffana, the poison that Mozart himself named, because the symptoms do not tally. Also rejected is death by mercury poisoning, supposedly at the hands of Mozart's fellow Freemasons because of some violation of lodge laws. Among the symptoms of mercury poisoning is severe tremor, of which there is no hint in the last entries in Mozart's thematic catalogue. Dieter Kerner, who has steadfastly championed the mercury argument, in the 1960's put forward the thesis that Mozart may have died of a mercury overdose while treating himself for syphilis. Not only is mercury ruled out on symptomatic grounds, but an English venereologist, Dr. J.L. Fluker, finds no evidence that Mozart suffered from the disease.

What then (not who) did kill Mozart? Dr. Davies sums up his diagnosis in medical shorthand thus: "Mozart died from the following: streptococcal infection — Schönlein-Henoch Syndrome — renal failure — venesection(s) — cerebral hemorrhage — terminal broncho-pneumonia." He describes Schönlein-Henoch Syn-

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drome as "an allergic hypersensitivity vasculitis in which immune complexes are deposited in the small blood vessels of the skin, joints, gastro-intestinal tract and kidneys, resulting in purpuric lesions and edema [swelling due to fluid accumulation] of the skin and inflammatory changes in the other three organs. About 10 percent of cases develop chronic renal [kidney] disease which, if untreated, can result in chronic renal failure and death." Mozart developed this syndrome in August of 1784 and remained ill until mid-September. He appeared to recover, but in Dr. Davies's view, "a streptococcal infection was contracted at the same time, complicated by development of Schönlein-Henoch Syndrome. Further, I believe that immune complexes were deposited in Mozart's kidneys during that illness so as to cause chronic glomerulonephritis [inflammation of the kidneys], the disease which was eventually to cause his death."

Mere day-to-day existence must have been difficult under the burden of such painful illnesses. What could such a sick man accomplish? All Mozart did in his last four months, with body and mind disintegrating, was to

A doctor insists it is clear that Mozart was not poisoned or otherwise a victim of foul play.

compose "The Magic Flute," "La Clemenza di Tito," the Clarinet Concerto, most of the Requiem, a Masonic cantata and some miscellaneous pieces. Think of him next time you have to stay in bed with a cold.

Could Mozart's illnesses have been diagnosed and treated early? Probably not. Dr. Davies points out that in patients with chronic kidney disease there is a gradual decline in kidney function that is difficult to detect. This early stage can last for several years and can be discovered only by laboratory tests that did not exist in Mozart's lifetime. One such test, for protein in the urine, did not become possible until 46 years later, when Richard Bright wrote a classic paper on the subject. Another unknown factor was hypertension or high blood pressure, which may precede the onset of kidney disease. Dr. Davies thinks it likely that Mozart suffered from hypertensive encephalopathy (sudden rises in blood pressure), which are common in patients with chronic kidney failure and might explain Mozart's fainting fits and blackouts. Detection of hypertension was not possible until 1878, when Rittler von Biesch invented the sphygmomanometer or blood-pressure cuff.

Wolfgang Amadeus Mozart, victim of high blood pressure. Suddenly the Great Composer stands before us, not as an alabaster figure, but as our contemporary, a hypertensive 20th-century man in spirit. Though dead to the world, he walks among us. Meanwhile, let us lay to rest the myth of his murder by poison. Rest in peace, Antonio Salieri, and all the usual suspects.

Drawings That Reflect A Great Connoisseur



Hans Baldung's "Head of Saturn," left, and Lucas Cranach the Younger's "Portrait of Prince Alexander of Saxony," above

By JOHN RUSSELL

It was a historic moment when, two weeks ago, an exhibition of "Old Master Drawings From the Albertina" was opened at the National Gallery of Art in Washington. For there can hardly be a museum director in the world who has not dreamed of one day getting a comprehensive loan exhibition of drawings from the Albertina in Vienna. It is one thing to raid the current auction market and quite another to get hold, even temporarily, of Dürer drawings that once belonged to the Emperor Rudolf II, or of the seated male nude by Michelangelo that once belonged to Rubens, or of the Raphael studies of male nudes that once belonged to Dürer.

And these celebrated sheets — all of them now on view in Washington — are no more than a beginning. It is at once made clear to the visitor that Duke Albert of Saxe-Teschen, who founded the collection that bears his name in the last quarter of the 18th century, had the kind of touch that never seems to go out of date, whether the artist in question is Raphael or Veronese, Rembrandt or Saenredam, Rubens or Brueghel, Greuze or Fragonard.

Not only have his choices in no way dated, but they run the whole gamut of drawing's potential, from malevolent energy (see the head of Saturn by Hans Baldung Grien) to a noble openness and candor (see the head of a young man that was drawn by Francesco Bonsignori during his years at the court of Mantua). There is humor — above all in the famous drawing by Pieter Brueghel the Elder of a painter at work with a connoisseur peeking over his shoulder — and there is a delicate refinement of color, as in the drawing by Charles-Joseph Natoire from which we learn that when it comes to the changing of the leaves in autumn Italy does not fall short of New England.

The act of drawing was naturally dear to Duke Albert, and we sense that he could never have resisted the portrait called "Marguerite Gérard Sketching" by Fragonard. Not only is this a concise encyclopedia of what can be done with brush and bistre wash over a lead-point underdrawing, but there is a wonderful aptness about the way in which the white of the sketchbook page seems to give off an almost supernatural light of its own. And for virtuosity within a carefully restricted range of color it would be difficult to excel the church interior by Saenredam, in which the rare but infinitely skillful accents of pure color are as fresh as they were when Saenredam went to work more than 300 years ago.

But, of course, it is from Dürer that the exhibition takes its tone. Any exhibition that starts with 10 drawings by him (one of them double-sided) is bound to bear his

brand. His particular kind of human inquiry is everywhere present from the prototype of the Christian soldier, who was later to be apotheosized in his "Knight, Death and the Devil" to a wonderfully precise and elliptic drawing of Antwerp harbor and the "Head of a Black Man." As to this last, we must agree with Dr. Walter Koschatzky, director of the Albertina, when he singles it out as an example of Dürer's feeling for the dignity of races other than his own.

Faced with all these things, we remember how people in London still talk of the exhibition from the Albertina that came to the Victoria and Albert Museum in 1948 as part — so it then seemed — of the convalescence of a Europe still brutalized by World War II. Since then, only Paris in 1960 and Moscow in 1973 have been so favored, and even in Vienna itself it is not easy to get to see the full range of the collection, since the preservation of the drawings is rightly ranked higher than the caprice of the individual visitor.

Yet here they are. Seventy-five Old Master drawings from the Albertina can be seen at the National Gallery through Jan. 13, 1985. From March 8, 1985, through May 26 they can be seen at the Pierpont Morgan Library in New York. A grant from United Technologies Corporation speeded the final stages of the operation, and Dr. Koschatzky shared the task of choosing the drawings with Andrew Robison, senior curator at the National Gallery. But it was the International Exhibitions Foundation that undertook the long preliminary haul, and Mrs. Pope and her colleagues deserve all our thanks.

That Duke Albert was a great connoisseur is known to everyone who ever set foot inside the Albertina. Two things were very much in his favor. He had plenty of money — not only was he the son-in-law of the Empress Maria Theresa, but as Governor General in Brussels he held the best-paid post in the Austro-Hungarian Empire — and he bought at a time when great collections were being dispersed and it was possible for him to take the cream off the top.

Even so, this is not just a rich man's accumulation. There is an evident and beautiful sense of order and comprehension about the way in which Duke Albert collected. He was a man who did everything well, whether the problem to be solved was the construction of a drinking-water system for Vienna, the proper financing of a home for the blind, the draining of 5,700 acres of marshland in Hungary, or the commissioning from Antonio Canova of the great monument to his wife that is in the Augustinerkirche, just a few yards from the Albertina.

Nor was he an absentee collector, who left the hard work to advisers and librarians. He did everything himself. He kept and filed the letters. He kept and filed the catalogues, of which there were a great many. He made his own card indexes and kept them up to date. He knew exactly how much he had spent, sheet by sheet, and he kept tabs on every one of the major dealers of the day. He saw his collection not as a pastime but as a duty toward his country, and toward the visitors of all nations who would one day come to see it.

After Duke Albert died in 1822, a recognized authority on drawing was asked to go through the 230 portfolios in which more than 13,000 drawings were kept. In his report, he said that "the connoisseur will be amazed at the large number of remarkable, extremely rare or even unique works, and he will realize that the collection does not only result from the expenditure of a great amount of money. It is primarily the consequence of an almost miraculous combination of propitious events."

"Miraculous" as it may have seemed in 1822, the survival of Duke Albert's collection of drawings and prints into the 1980's is doubly so. At the end of World War I, it might well have been dispersed when it was decreed under the Treaty of Saint-Germain that Austria's entire holdings of art were to be held as security for the payment of reparations to the victorious Allies. During World War II more than 1,500,000 works of art on paper were removed from the Albertina and hidden in salt mines near Hallein. The palace itself was largely destroyed in March 1945 during the final phase of the war in Europe. There was really no limit to what might have gone wrong for the Albertina on that and other occasions. But happily there were good, loyal and efficacious people around who saw to it that the collection stayed intact, and is still intact, as one of the noblest achievements of its kind.



Bonsignori's "Bust of a Young Man"

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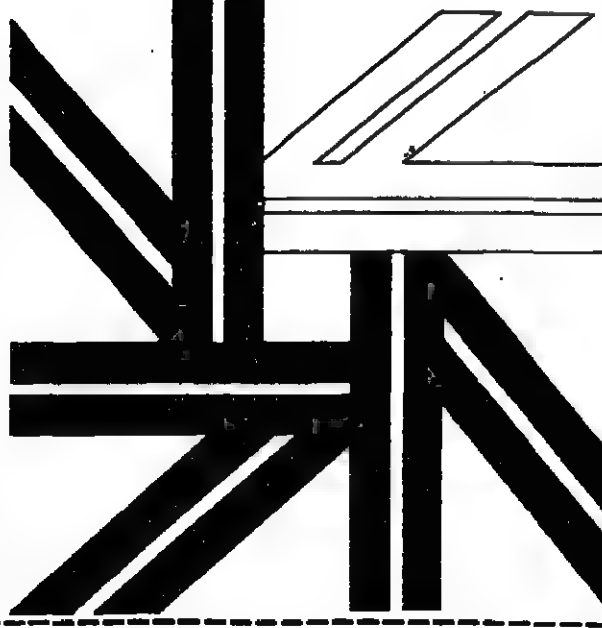
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Cheap and cheerful

LIFE is becoming more expensive from day to day, and house plants are no exception. But let's consider certain plants that are a good investment because they are cheap evergreens which thrive indoors and out, in shade or light, and even in a dark stairwell. Two of them, botanical relatives, are available at local nurseries: sansevieria and aspidistra.

Sansevieria trifasciata is also known as mother-in-law's tongue or bowstring hemp. In Hebrew it goes by its Latin name, Sansevieria. Émile Laurent, a Belgian botanist, brought this ornamental plant to Europe from the Congo in 1904. Its sword-shaped succulent leaves have creamy yellow margins and greyish-green cross-bands. I know of several homes in Jerusalem where this pot-grown ornamental has reached a height of about 80 cm. Sansevieria is grown commercially in India for its fine but strong white fibres, which are woven into mats, wine and hats. Incidentally, botanist Laurent named it after Raimond de Sango, Prince of Sansevierio, who lived in Naples from 1710-1771.

A perfect house plant for busy people with next to no time for gardening, this tropical plant, you may be surprised to learn, belongs to the lily (Liliaceae) family. But don't expect conventional lily-like flowers when your plant reaches the flowering stage. Very seldom does Sansevieria produce its long flowering spikes in summer. This happens only in optimal growing condition: warmth, humidity, good light and periodic feeding. Sansevieria tolerates dry air, central heating, drought, or shade. During winter the

sansevieria should be kept indoors. It suffers from too much water and temperatures below 10°C.

In lower temperatures, the lance-shaped leaves will quickly rot at ground level and the plant will wilt and die. In winter, do not water more than once a month. Even in summer only moderate watering is needed.

Repotting is rarely required, but when it is necessary, do it in spring, when all danger of frost passed. Use a good soil mix containing equal parts of well-rotted compost, peat and sand or vermiculite. Propagate by division when repotting, since propagation by cuttings succeeds only in heated nursery frames with glass or plastic covers or in a heated greenhouse.

Aspidistra elatior (Parlor palm, cast iron plant, *magenit* in Hebrew). The botanical name of this plant derives from the Greek words *aspis* (shield) and *astron* (star), referring to the small star-like flowers, shaped like a protecting shield. Sometimes, under optimal conditions, you may be lucky enough to bring your aspidistra to the blooming stage. Flowers appear in winter, first in knots like little mushrooms. Only later do they open their dark purple petals.

Uprooted from the Himalayas and brought to Europe by plant collectors in 1822, this undemanding evergreen made itself thoroughly at home in England's parlours and dur-

GARDENER'S CORNER / Walter Frankl



Sansevieria...mother-in-law's tongue.

ing the reign of Queen Victoria became the most fashionable and popular house plant, not only in England but in many European capitals. The main reason for its popularity is the fact that nearly no

time or effort is needed to keep it alive and its dark-green leaves shining.

The aspidistra is without doubt a most amenable house plant, able to withstand long periods without wa-

ter: very little light; an overheated room, dry air and considerable cold. When other indoor plants wilt and die for lack of light, the aspidistra thrives unchanged. It can also succeed in the open garden under shady trees or shrubs, unmolested by either cold or hot temperatures.

I bought an aspidistra plant six years ago and last year divided it into two. I kept them potted in a peat-sand mixture. All these years, my aspidistra stood up to the severe Jerusalem winter with its frosts, hail, snow and storms, as well as summer temperatures of well over 30°C. Having learned that aspidistras can reach a ripe age of about 60 years, I am quite sure that my plants will outlive their owner.

Removing dust with a soft cloth at least once a week is obligatory. Water moderately in summer and less often from October until March. The aspidistra needs perfect drainage and will not tolerate its roots standing in water. Nor does it enjoy direct sun.

Like sansevieria, aspidistra also belongs to the lily family, one of the greatest families of plants. It's difficult to believe that it is closely related to plants like garlic, tulip, hyacinth, yucca, spiderplant (chlorophytum), aloes, asparagus and many others.

Don't be too eager to transplant aspidistras into bigger pots, but if you do repot, use a peat-compost

combination. Propagate by division in late spring.

The outside leaves can be gently pulled off with a piece of rhizome and a few roots. This is best done in spring. Every single leaf is a potential new aspidistra plant. If you want aspidistras for indoor decoration, plant 2 or 3 leaves in a large flowerpot.

A few more remarks about these two simple plants, both as old as Methuselah: since the old toughies require a minimum of care, they are ideally suited for the novice. It is much better for a gardening beginner to start at the bottom of the ladder with simple plants, and sansevieria and aspidistra are ideal. Insects do not bother either plant, but both should be sponged off sporadically to keep them dust-free and allow them to breathe properly. And finally, the leaves of both plants can be used in flower arrangements as decorative backgrounds. They are sturdy and remain lush for a long time.

Hints for November. If you are a rose-grower, prepare holes for new rose bushes. They should be about 70 cm. deep and wide and half filled with a mixture of soil and cow manure. December is the best month for planting roses.

Cuttings: instead of inserting your cuttings straight into sand or some other light growing medium, collect the stems from woody plants in late fall when they have dropped their leaves. Just cut them into pieces 12 to 15 cm. long, bundle them with their tops all facing in the same direction and bury them until spring. During the winter, in the moist

dark of the soil, the ends of the cuttings will form calluses from which the new roots will grow. You can even encourage them further by burying the cuttings upside down. Make sure the soil in which you put the cuttings is very sandy, perhaps mixed with a little sawdust to help moisture retention. Open the "grave" in the spring and plant the cuttings one by one with the tops uppermost in the air. They will quickly take root. For this purpose use a richer soil.

Green Pages. The fourth edition of Green Pages, a yearly gardeners' directory, appeared recently. It contains not only a list of all nurseries, landscapers and gardening consultants in the country, but also lists all kinds of nurseries, garden tools and fertilizer suppliers. If you want to buy roses, ready-made lawns or specific plants, bulbs, shrubs or trees, the directory will provide you names, addresses and phone numbers.

Nicely illustrated, Green Pages also contains articles about house plants including detailed descriptions and botanical names for every plant.

The most recent edition carries an article about climbers for balconies and for the garden, and six pages on roses and rose care, as well as articles about papayas in Israel, orchid cultivation, and garden pests and plant diseases. There is also a list of annuals and other ornamentals, one of garden tools and where to buy them, and one of gardening books. The directory is a great help for amateur gardeners, but unfortunately it's only available in Hebrew.

Popular success

MUSIC / Yohanan Boehm

POPULAR CLASSICS - Jerusalem Symphony Orchestra, Ole Schmidt conducting, with Natasha Tadson, piano (Raymond Hauman, violinist, November 8). All-Tchaikovsky programme: "Swan Lake" Suite; Piano Concerto No. 1; "Nutcracker" Suite; Overture 1812.

THE CAPACITY audience was the proof that there is indeed a market for programmes such as this: popular music at popular prices, to cater to unsophisticated music lovers (who are in the majority) and to draw new listeners to come to the concert hall for live performances. That this was a mostly new audience was easily discernable: the unlearned search for seats during a performance, the coughing between movements, the applause after mighty chords during a course of the works. But these minor points, balanced by the fact that so many new faces, young and old, were to be seen in the audience.

The programme indeed offered a prospect of the evergreens. It was that to include two suites from a well-known afternoon-tea-theatre is too much of a good thing - by not "Romeo and Juliet" or "Capriccio Italiani". Natasha Tadson, the soloist in the piano concerto, played with breathing speed, though without sufficient strength to do full justice to the

demands of the piano part. Her physique is simply inadequate to cope with the requirements of hammering out the octave runs and make all the fireworks fire. Her pianistic skills are most impressive, but technique is not all that is required in this concert.

Ole Schmidt, the Danish guest conductor, towered - even when sitting down on the rostrum - over the orchestra, but only in the literal sense: his directions did not go beyond the minimal indications necessary for the orchestra to keep things going.

As every note in this programme is public property, a much more exacting and pronounced interpretation would have been necessary in order to exact maximum profit from the scores; as it was, no driving spirit could be felt, transitions were slurred, fineries in orchestral sonorities were not exploited, with the result that no more than a routine performance was achieved.

As the Jerusalem Symphony Orchestra gave the impression of full cooperation and alertness, the blame must rest with the conductor.

To induct a new audience into the beautiful realm of music is most commendable, but it needs the best of performers to persuade them to become even more involved.

Conversation piece

RANDOMALIA/Miriam Arad

IDY is a Tel Avivian, and it shows that when she comes to Jerusalem she wants to go to the Old City, like they all do. This being a weekday, the place is rather deserted. Shopkeepers sit in front of their stores smoking, drowsing, or lying backgammon with the fellow at the door, and barely look up even when somebody pauses to examine their wares. Maybe that's what happens to stop for a moment when one of them, a thin man in his middle fifties, does glance at us.

He: Quiet here today, h'm?
I: Uh-huh.
He: No business at all?
I: Uh-huh.
He: Ah well, there's always Shabbat when people come in droves.
I: (dripping irony) Sure, and as spenders they are. They buy a yule, cut it into four, eat a piece of, share a bottle of coke and t'v; they've had a Day Out. As that seems an accurate picture the average Israeli family on its Shabbat putting in these post-prandial days, we find nothing to say, and move on. About an hour later we pass by him again on our way back, and being old acquaintances now, we pause to say hi.

He: See what I mean? You made a man of the Old City and what did you buy? Nothing.
I: Nothing, we take up the challenge. That's to say Judy, who is going for a small present to give a friend, reaches through her trinkets, and embroderies and even acquires about five dollars' worth of knickknack.

He: All right, you can stop grumbling, we bought something.
I: Uh-huh. Now I can buy me a

By this time we are not mere acquaintances, we are old friends, so he invites us to have coffee with him. We settle down in his store, and over very sweet Turkish coffee have the kind of typical Israeli conversation that consists of questions about one another's age, occupation, marital status and number of children, interspersed with appropriate comment. An informative sample: He: I just got myself a new wife. We: How old? He: Twenty-five. We: Was she very expensive? He: At 25? Dirt cheap. A 17-year-old girl now, that might have cost a pretty penny, but one of 25 - her pa is far too happy he's found a man who still wants her.

He speaks a rapid, idiomatic Hebrew, with an occasional Yiddish word thrown in. Over the half hour or so we spend with him he has grown positively expansive, though never dropping his ironic manner. I've a hunch it's not merely put on for our benefit but is a habit with him - one of the many defences, perhaps, one adopts against life and one's fellow men.

We take leave amiably and, I daresay, without any illusions on either side that we've done something for peace, brotherhood, or Arab-Jewish understanding. He's too cynical a person for that, and I'm afraid that I, too, believe the region's conflicts will be settled, if at all, by politicians and not by us little citizens. Actually, peace and brotherhood haven't been on our minds for a moment: we just talked and laughed together for a bit, that's all.

What really gets me, though, is people who object to Arab-baiting on the grounds that "after all, Arabs are human beings too."

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GIVE SOLDIERS

SUPER-SOL

How is the package deal doing so far?

Only the January 15 C-o-L figures will tell

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — The success or failure of the package deal will only be known when the cost-of-living index is published on January 15, 1985. Amnon Tiberg, director-general of the Manufacturers Association, said here yesterday. He was reporting on the first week of the package deal, which, he again stated, put the heaviest burden on the industrialists. The manufacturers, he said, were in a squeeze and being forced to pay higher prices for imported raw materials, yet they were not allowed to pass on these higher costs by increasing their prices, since these were frozen now.

However, the slowdown in devaluation of the shekel — about two per cent in the past week — also helped the manufacturers to keep the "price line."

They were also helped by reduced interest rates. "But although these rates should only total 16 per cent a month, they were higher," he said. He pointed out that the banks had indeed lowered the rates to 15.5 per cent, but they were still charging a 1.5 per cent to 1.8 per cent "credit allocation fee," which brought the total interest up to 17 per cent, or more.

As for the success or failure of the package deal, he said that the index for October, to be published on November 15, would be anywhere from 23 to 27 per cent. The index for the month of November would also be high, perhaps 31 or 32 per cent. The reason for the high index in November would be due to the spill-over effect of the last half of October into November; but the spill-over of the last half of November into December would already show the effects of the package deal, he said.

Asked what he would consider a "successful index," Tiberg said that "anything which would introduce a downward trend. Once we reverse the upward trend, we may be able to see a glimmer of light at the end of the tunnel."

However, he stressed that the package deal was only a means to an end, not an end in itself. "The package deal is aimed at calming down public tension and fears, it is also meant to give the government three months' breathing space, so it can work out a comprehensive economic plan, which includes hacking huge chunks out of the budget. It is also aimed at switching the country's eyes from the local market to exports."

Tiberg said that while the package deal stands or falls on the government's cutting its budget, the country's future economic growth depends on industrial exports.

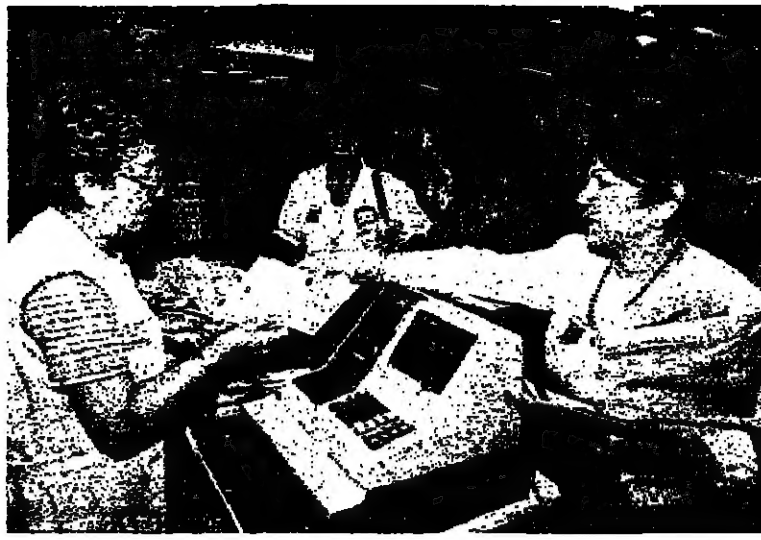
try's future economic growth depends on industrial exports.

"And this depends on the government keeping its promise to maintain the profitability of exports at the 1980/81 level," when exports rose rapidly. "Lately, profitability had been dropping, and the result was a drop in exports in October, he added."

"There are some officials in the Finance Ministry who are trying to play around with the 1980/81 profitability formula by making all sorts of interpretations," he charged. He added that unless the profit line was held exports could not be expected to rise.

So far, the industrialists have received all the raw materials they need from the suppliers, he said. This is a definite result of the fact that the rate of devaluation has been slowed down, so that the gap between foreign currency prices and shekel prices is not great.

Asked if industry could absorb civil servants, if the government went ahead and cut its budget (which would also mean firing civil servants), Tiberg said that "several thousand could indeed be absorbed." But he did not think that tens of thousands could join the industrial community.



Volunteer workers of the Histadrut's Consumer Protection Authority distribute leaflets outlining the package deal and the price freeze. The volunteer at right hands a sheet to a cashier at the Shekema store in Tel Aviv.

U.S. wholesale prices fall for third successive month

WASHINGTON (Reuters). — U.S. wholesale prices fell 0.2 per cent in October, the third straight monthly decline in the Producer Price Index (PPI), the Labour Department said on Friday.

The figures were further evidence that inflation is still well under control. The PPI, which measures prices received by producers on a wide range of goods that are ready for sale to final users, has risen at an annual rate of only 1.5 per cent so far this year.

However, this is still higher than in 1983, when wholesale prices posted a slim 0.6 per cent gain. The Consumer Price Index, which tracks inflation at the retail level, is rising at an annual rate of 4.2 per cent.

Falling inflation has been a highlight of American economic expansion over the past two years, and contributed to President Reagan's sweeping re-election success last week.

According to most public opinion

polls, U.S. voters credited Reagan with engineering economic prosperity and bringing prices under control. When Reagan began his first term in 1981, pledging to bring inflation out of the economy, prices were rising at more than 10 per cent annually.

The PPI fell 0.2 per cent in September and 0.1 per cent in August. The three-month string of declines is the longest since the index went down for six consecutive months starting in the fourth quarter of 1980.

The Labour Department report said most of the October drop was due to lower costs for new cars and trucks. Prices for newly introduced 1985 cars and trucks models were lower last month than the prices dealers posted in September, as they sought to sell off the 1984 models.

Most other major spending categories showed price declines or remained unchanged last month.

'Fifth Generation' computers

TOKYO (AP). — An international computer conference in Japan, which is in the midst of a national drive to build a "fifth generation" computer with artificial intelligence, ended Friday with a call for other nations to take a more active role in such research.

The turnout of 750 Japanese and 350 foreign participants from 28 countries reflected worldwide interest in the project and underlines Japan's responsibility as an initiator of fifth-generation research, said Tohru Motooka, chairman of the conference.

The fifth-generation project, which seeks to develop a computer capable of learning from mistakes and using artificial reasoning, is known as the Institute for New Generation Computer Technology. It has been pursued for the last two-and-a-half years. Last week's conference, which lasted four days, was called to report on Japan's progress and to exchange views with scientists working on similar projects in other countries.

Since 1981, Britain, the 10-nation European Community and the U.S. have begun projects to develop the so-called next generation of computers. Each of those projects is scheduled to run for 10 years.

BAGHDAD. — Iraq and North Yemen have agreed to increase bilateral trade exchanges. Baghdad newspapers have reported.

Fischer Pharmaceuticals thrives on fight against lice

By MACABEE DEAN
Jerusalem Post Reporter

TEL AVIV. — Business is just as lousy this year as it was last year — thank God — says Dr. Eli Fischer, head of Fischer Pharmaceuticals, whose line of about 100 products includes two anti-lice preparations.

Fischer admits that part of his success is due to the Health Ministry's refusal to allow the sale, without a doctor's prescription, of his preparation, Monocide which is effective against both lice and nits. Most persons prefer not to go to a doctor, but to their local drug store, and there they can only obtain (without a prescription) another Fischer preparation, Pyracide, which is effective only against lice. Since the nits hatch into lice, the nits-lice-nits circle continues.

Thus it comes about that many people buy foreign preparations similar to Pyracide. Since these also prove ineffective, they return to Pyracide, then back to another foreign preparation, establishing a cycle — "in which the lice are the victors," Fischer says.

But what will happen if the ministry does approve — there seems to be a move in this direction — the sale of Monocide without a prescription? Will Fischer Pharmaceuticals lose a good part of its income?

"By then, we hope to have a new preparation on the market, that will allow us to conquer a good part of the thriving market for anti-lice preparations abroad," he says.

Last year the company established a research fund to try to find a new

and harmless preparation. "but no Israeli scientist wanted to engage in this type of research: they all have their eyes on the Nobel Prize," Fischer says.

A few months ago, however, he found a Swiss scientist, a noted parasitologist, who wanted to settle here. "We gave him \$20,000 and the Hebrew University provided laboratory space."

The problem was to find an animal on which human lice thrive, so that new preparations could be tried under laboratory conditions. A special breed of rabbit, which met these requirements, was imported from England, and the work is proceeding at a rapid rate. "We hope to have a preparation on the market soon."

Another research project, which Fischer Pharmaceuticals sponsored at Tel Hashomer Hospital, after two years produced its Ultrason water resistant anti-sunburn cream. This proved a considerable success on the local market, and the knowhow has already been sold to a company in Portugal. Shipments to Europe will leave next spring.

The company has also prepared three new "treatment" creams for women, especially suited to Israeli climate. They will be on the market soon. Another cream, to protect a baby's skin against dryness in northern climates, is also to be put on sale soon and shipped to northern Europe.

The company's turnover last year was \$3 million, compared to only \$2.3m. the year before. This year's target is \$3.5 million.

Arab food imports \$26 billion

BAHRAIN (Reuters). — Arab states spent \$26 billion on food imports in 1983, while food production dropped by 7.8 per cent on the previous year, a senior Arab agricultural expert said over the weekend.

Hassan Fehmi Jum'a, director-general of the Arab Organization for Agricultural Development, also said the rising food imports — more than half the Arab world's food needs — could have a negative impact on Arab economic and agricultural development.

Jum'a was speaking at the opening session of an Arab seminar on animal husbandry in Riyadh. His speech

was carried by the official Saudi press agency.

"Food imports in 1983 totalled \$26b., while the food bill was \$13b. in 1981," he said. He did not give the figures for 1982.

"This could have an adverse effect on economic and agricultural development... there are indications that rising imports could also affect political and economic decisions in the Arab world," he added.

Several Arab officials have recently voiced concern that the West, from which they import most of their food, could use food as a political weapon.

Profits of Kuwait Airways down two thirds

KUWAIT (Reuters). — Kuwait's national air carrier announced yesterday its net profit fell 66 per cent in the 1983/84 fiscal year due to a slowdown in business facing airlines in the Gulf and elsewhere.

Net profit of the state-owned Kuwait Airways Corporation (KAC) slipped to 200,000 dinars (\$660,000) in the year ended June 30, from \$600,000 dinars (\$1.98m.) the previous year.

KAC fell between seven and 10 per cent in contrast to growth rates of 10 to 15 per cent in previous years.

A spokeswoman for the airline said KAC and other Gulf airlines are considering a cut in fares of 30 per cent for flights within the region.

KAC plans to introduce a once-weekly flight between Kuwait and Tokyo next January, and a KAC delegation will visit China next month to study prospects for a flight to Peking.

Canada's Conservatives slash gov't spending

OTTAWA (Reuters). — Canada's new Progressive Conservative government, stinging out the country's bloated budget deficit as public enemy number one, has cut spending by \$3.05 billion U.S. dollars and warned Canadians that more belt-tightening may be needed.

In an austere mini-budget presented to Parliament Thursday night, Finance Minister Michael Wilson slashed spending on everything from embassies to cabinet ministers' salaries.

The Conservatives, who won the biggest parliamentary majority in Canadian history in September's general election, froze growth in the civil service, cut grants to state corporations and raised the country's protected oil prices to world levels.

Despite the hefty cuts, Wilson estimated that Canada's budget deficit would still total \$26b. for the present financial year.

One in nine Canadians is still unemployed, but Wilson stressed his government's top priority was the deficit.

"I believe that deficit reduction is the key to rebuilding confidence," he told the House of Commons.

Wilson warned that more cuts, and possibly tax increases, would

come in the full budget he plans for early next year.

He also admitted that his projections for modest economic growth throughout the rest of the 1980s would not be fulfilled if the U.S. failed to reduce its budget deficit and help bring interest rates down.

Should rates rise rather than fall, Wilson said "a recession cannot be ruled out."

The cuts won praise from Canada's business community, but were lambasted by opposition and union leaders alike.

A spokesman for the Federation of Independent Businesses called the mini-budget "the first cold shower I've really enjoyed."

Dennis McDermott, of the Canadian Labour Congress, complained that the government had switched priorities from the jobs to the deficit, and the opposition Liberals also accused the Conservatives of turning their backs on the unemployed.

Wilson cut his own salary 10 per cent, telling reporters: "We are willing to take a little bit out of our own hides."

At a news conference Prime Minister Brian Mulroney said: "Obviously there is a connection

between our plans for economic renewal and what happens in the U.S. It couldn't be otherwise, given trade patterns and economic realities."

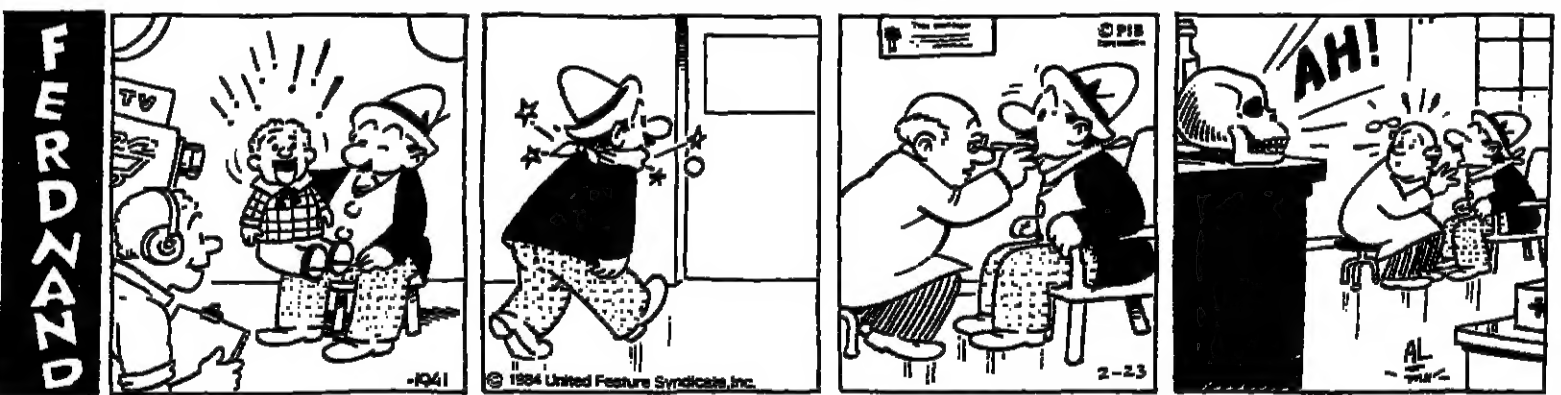
Canada does almost three quarters of its trade with the U.S. Mulroney, who went to Washington for talks with Reagan within one week of taking office, has pledged to build a special relationship with his country's giant neighbour.

In trimming government expenditure, he said the Canadian government was obliged "to begin the painful process of trying to live within its means."

"Interest rates are the key to economic recovery and the creation of durable jobs. I have had conversations with President Reagan," he said.

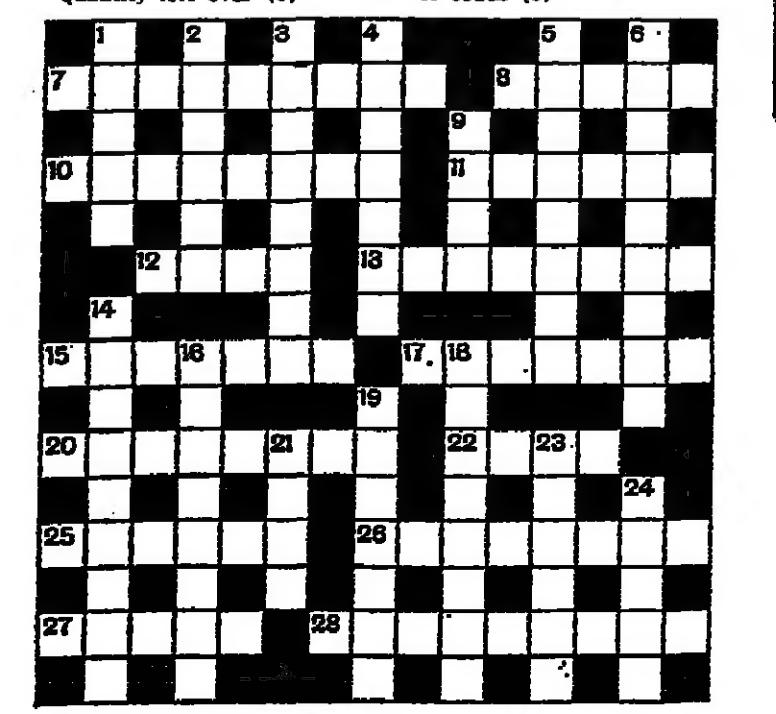
"We have our own understanding of what we hope will transpire in the American economy. Notwithstanding that, we wanted to send out our own strong signals," he added.

KOREAN DEAL — Saudi Arabia's state-supported Petrochemical Corporation has signed a 460 million Saudi riyal contract to build a Korean tanker that will ship its petrochemical output to the United States, Europe and Asia.



ONE-AND-ONE CROSSWORD

- ACROSS**
- 7 Silver hat redesigned for the competitors of Sheridan (3, 6)
 - 8 A second-class Turkish governor for monastic house (5)
 - 10 What? Just the opposite (8)
 - 11 Get on a bit for a change (8)
 - 12 In Scotland it's unusual (4)
 - 13 Procrastinatory motto for the graven image worshiper (8)
 - 15 Crazy person who may hold the kernel of the matter (3, 4)
 - 17 Comparatively on the level to appeal to vanity (7)
 - 20 Needless 25 to 8: fall out (4, 1, 3)
 - 21 Lamb the essayist, not the skipper (4)
 - 22 Counsel providing wickedness following brief publicity (6)
 - 23 For playhouses the rates are adjustable (8)
 - 24 Plain clothes for Moslem exponent (5)
 - 25 Memory jogger holds a quantity left over (9)
- DOWN**
- 1 Can you hear sheep in the flower garden? (5)
 - 2 Cowardly Pennine district (6)
 - 3 Surpasses unconcealed operations, in short (8)
 - 4 Whatever you hear, it could be Ogden Nash's quicker liquor (4-3)
 - 5 Take away the non-representational quality (8)
 - 6 Persian fairy with measuring device round the edge (9)
 - 9 One-time non-flyer, despite its repeated urge to perform (4)
 - 14 Thorough-going verdict by both spouses (3, 3)
 - 16 Metricated or not, can they still dispense with scruples? (8)
 - 18 Faithful follower from a Belgian province (8)
 - 19 Chirp like a chaffin (7)
 - 21 Coarse sound regretted (4)
 - 23 Purpose: to reveal where camper is to be found (6)
 - 24 No hilly ground going north or south (5)



GENERAL ASSISTANCE

EMERGENCY PHARMACIES

Jerusalem: Kupat Holim Cholim, Romema, 523191, Balsam, Salah Eddin, 272315, Shu'afat, Shu'afat Road, 810108, Dar Al-Dawa, Herod's Gate, 282058.
Tel Aviv: Bnei Shimon, 440552, Kupat Holim Leumi, 4 Hefezan, 266271, Netanya: Kupat Holim Cholim, 21 Brodetsky, 91125.
Haifa: Yavze, 7 Ben Sima, 672288.

DUTY HOSPITALS

Jerusalem: Bnei Shimon (pediatrics), Hadassah E.K. (internal, gynecology, surgery, orthopedics E.N.T.), Shaare Zedek (orthopedics, gynecology, surgery).
Tel Aviv: Rokeach (pediatrics, internal, surgery).
Netanya: Lamedo (obstetrics, internal, pediatrics, gynecology, surgery).
For information on Battered Women Shelters call Family Violence Service — 03-231675/239222 or any of the Rape Crisis Centre or Eram hot lines.
Jerusalem Center for Drug Abuse and Misuse Intervention. Tel. 003825, 567002.
14 Bethlehem Rd.

FLIGHTS

24-HOURS FLIGHT INFORMATION SERVICE
Call 03-972484
(multi-line)
ARRIVALS ONLY
(TAPED MESSAGE)
03-381111 (20 lines)

FIRST AID

Magen David Adom emergency phone numbers (round the clock service):
Ashdod 41333 Jerusalem 523133
Ashkelon 23333 Kiron 344442
Bat Yam 585555 Kiryat Shmona 44334
BeerSheva 418111 Netanya 92333
Carmiel 908554 Netanya 23339
Dan Region 781111 Petah Tikva 923111
Elat 72333 Rehovot 51335
Haifa 512333 Rosh HaNai 942333
Hadera 23333 Safed 30315
Hatzor 56333 Tel Aviv 240111
Holon 802133 Tiberias 90111
Mobile Intensive Care Unit (MICU) service in the area around the clock.
101 Emergency phone number in most areas.
Rape Crisis Centre (24 hours), for help call Tel Aviv 234819, Jerusalem — 810118, and Haifa 87791.
"Eram" — Mental Health First Aid. Tel.: Jerusalem 609911, Tel Aviv 233311, Haifa 672222.
Tel Aviv 234819, Netanya 36116, and Haifa 87791.
For information on Battered Women Shelters call Family Violence Service — 03-231675/239222 or any of the Rape Crisis Centre or Eram hot lines.
Jerusalem Center for Drug Abuse and Misuse Intervention. Tel. 003825, 567002.
14 Bethlehem Rd.

POLICE

Dial 100 in most parts of the country. In Tiberias dial 924444, Kiryat Shmona 4444.

QUICK CROSSWORD

8 Tired out
9 Zest
10 Renew
11 Harsh

8 Protective surface

9 Zest
10 Renew
11 Harsh

14 Mimic

15 Opening to admit light
16 Made good
17 Go astray
18 Merry-making
19 Dealer in precious stones
20 Pick me up
21 Take away
22 Yellowish grey colour

DOWN

1 Twenty
2 Hopscotch
3 Indian warrior
4 Part of foot
5 Teacher
6 Gave sharp answer
7 Wearisome
8 Sticking
9 Reverential fear
10 Summer
11 Sorry
12 Bitters
13 Implore
14 Beast of a man!

Yesterday's Solutions

PERUVIANARK
LIMITED ARRIVED
7 PLEASANT
8 UNKILLABLE
9 NITROGEN
10 GENUS CATAHAN
11 G
12 OUTFITTER CABOT
13 UNNOTED NIAGARA
14 NITROGEN
15 NITROGEN
16 NITROGEN
17 NITROGEN
18 NITROGEN
19 NITROGEN
20 NITROGEN
21 NITROGEN
22 NITROGEN
23 NITROGEN
24 NITROGEN

Quick Solution

ACROSS: 1 Litter, 2 Alley, 3 Tiro, 4 Udder, 5 Explain, 6 Mire, 7 No, 8 Ref, 9 Rife, 10 Rife, 11 Rife, 12 Rife, 13 Rife, 14 Rife, 15 Rife, 16 Rife, 17 Rife, 18 Rife, 19 Rife, 20 Rife, 21 Rife, 22 Rife, 23 Rife, 24 Rife.
DOWN: 1 Litter, 2 Alley, 3 Tiro, 4 Udder, 5 Explain, 6 Mire, 7 No, 8 Ref, 9 Rife, 10 Rife, 11 Rife, 12 Rife, 13 Rife, 14 Rife, 15 Rife, 16 Rife, 17 Rife, 18 Rife, 19 Rife, 20 Rife, 21 Rife, 22 Rife, 23 Rife, 24 Rife.

The incorrect solution was inadvertently printed with yesterday's puzzle. This is the solution to Friday's puzzle.

GIVE SOLDIERS LIFTS

PERUVIANARK
LIMITED ARRIVED
7 PLEASANT
8 UNKILLABLE
9 NITROGEN
10 GENUS CATAHAN
11 G
12 OUTFITTER CABOT
13 UNNOTED NIAGARA
14 NITROGEN
15 NITROGEN
16 NITROGEN
17 NITROGEN
18 NITROGEN
19 NITROGEN
20 NITROGEN
21 NITROGEN
22 NITROGEN
23 NITROGEN
24 NITROGEN

First Int'l rides again

By PINHAS LANDAU
Post Finance Reporter
TEL AVIV. - The First International Bank has once again seized the initiative in the race between the commercial banks as to who can offer savers the best terms.

The bank, the fifth largest but by far the most profitable in the country, announced a series of bonuses yesterday that puts its terms well ahead of those announced by the major banks last Friday.

The dollar-linked monthly income savings scheme is now being offered, at First International, on the basis of a one per cent monthly income throughout the savings period, and not graduated from 0.8-1.0 per cent according to the length of deposit. Furthermore, the base rate for

dollar linkage on this scheme is pegged to the November 7 exchange rate. This special offer on the monthly income scheme, which makes it the highest-paying between the banks, is valid only for three days.

In the regular dollar-linked savings schemes, First International is also leading the show - at this stage, because further bonuses may yet emerge from the other banks - by offering the October 31 exchange rate for three weeks instead of two, as elsewhere.

This means that depositors can put their money into the multi-year dollar-linked savings scheme of their choice, until November 21, and benefit in the interim from holding the money on shekel deposit and receiving 1/2 per cent per day interest.

LLS. Intelligence Information Systems raises \$4.6m. in U.S.

Post Finance Reporter
TEL AVIV. - L.L.S. Intelligence Information Systems last week successfully completed its first public offering by raising \$4.6 million in the over-the-counter market in New York.

The company sold 990,000 shares at \$4.625 each, in an issue underwritten by the American brokerage firm Rooney Pace, which has in the past underwritten several public offerings by Israeli companies.

L.L.S. is a high-technology company located near the Technion in Haifa. It produces electronic equipment, which is compatible with IBM computers, and expects to achieve sales of \$7m.-\$8 million this year. It made about \$1m. profit in the

first half of this year and \$1.7m. in the whole of 1983. Its average rate of growth over the last three years has been above 50 per cent.

L.L.S. was founded four years ago by four private entrepreneurs. Its managing director is Ya'akov Herbst and its sales manager Naftali Oron. Bank Leumi Investment Bank acted as the company's adviser on the stock market flotation. It views the results as further evidence of the high regard accorded by American investors to Israeli hi-tech companies, despite the economic problems of the country.

At the present, L.L.S. shares are not open to purchase by Israeli citizens, only by foreign residents and olim with free foreign currency accounts.

No major change in trend

Thursday's trading pattern was repeated yesterday, with bonds rising, the "free" shares falling and banks in the "arrangement" also showing signs of weakness.

The size of movement, and the other statistics of the share market activity, did not indicate any major change in trend. Yesterday's falls therefore represent a continuation of the retreat from the prices reached in the post-package deal surge that took place at the beginning of last week.

On the bond market, volume totalled less than IS1 billion, and prices were slightly ahead in almost all sectors, including the dollar-linked bonds that had been weak for most of last week. The bond market is now looking a few days ahead to the publication of the price index for October, due this Thursday.

This is going to be the highest-ever index for a single month, that much is well-known. The question that has to be answered is whether it will be above or below the 30 per cent mark.

In any event, this gives index-linked bonds something to focus on, and renders the 435 reading on the general bond index as below the rate of inflation so far this year, including the coming October index. It is even lower if the inflation in November is taken into account.

In the share market volume expanded to almost IS1.75b. of this IS1079 million was in the "arrangement" share sector, and the remaining IS666m. in the non-bank sectors. The balance of the sectors is thus returning to its normal pattern, although the total volume is still well above the pre-package levels.

Tel Aviv Stock Exchange

By PINHAS LANDAU

The bank shares were either unchanged or lower. Particularly noteworthy were the large bids in IDB, Mizrahi, Hapoalim and Leumi, which were, in every case, supplied without any rise in price. Discount, Union and General all fell, so the trend in this group remains downward.

The "free" share market was also under pressure, although the advance/decline rate was better than on Thursday, running at 3:4 instead of 1:2.

However, a number of key issues continued to fall by quite large margins, such as Tefahot (-6.6 per cent), First International (-10 per cent), Property and Building (-4 per cent) and IDB Development (-6 per cent). These issues are often a better reflection of the mood than the overall statistics.

Announcements: The long-delayed and long-awaited results of Technological Resources and Building Resources were published yesterday, complete with a note to the effect that the auditors would not express an opinion on the financial results that they themselves audited.

This was because of the huge sums claimed from the companies in court cases being conducted at present. If these succeed, the companies will be unable to continue their operations. Technological Resources lost the

extraordinary amount of IS2.32 billion in the year to March 31, 1984. Given an exchange rate of IS153 to the dollar at the end of March, this loss is in excess of \$15 million. In nominal terms, before inflationary adjustments, the company lost IS730m., all but wiping out its nominal capital of IS735m. In real terms, the loss was far greater, as noted, and there can be no doubt that the company has no capital by now.

Building Resources reported an adjusted loss of IS1.173m. or some \$7.5m.

MARKET STATISTICS

General Share Index 532.34 -0.79%
Non-bank Index 532.75 -2.36%
Arrangement Index 635.69 -0.10%
Industrial Index 449.38 -2.47%
Bond Index 435.16 +1.33%

Turnovers
Shares IS1745.9m
Bonds IS2709.3m
Totals 4455.2m
Advances 152
Declines 201
of which 5% + 37
of which 5% - 93
"Buyers only" 10
"Sellers only" 8

Bond market trends
4% fully-linked: Rises to 4.5%
3% fully-linked: Rises to 3.5%
8% linked: Rises to 1.5-4%
90% linked: Rises to 1.5%
Double option: Mixed to 3%
Dollar-linked: Falls to 4%

Most Active Shares
Hapoalim 13695 IS277.8m. n.c.
Hapoalim 8320 IS174.7m. n.c.
Union 15120 IS142.6m. -200

Sharpest Moves
Lumir op. 12 +33.3%
Jaysour op. 120 +22.2%
Phoenix ISO.1 2760 +44.5 +19.2%

Elron affiliates Fibronics, Optrotech show higher profits

By PINHAS LANDAU
Post Finance Reporter
TEL AVIV. - Two affiliated companies of the Elron concern, Fibronics International and Optrotech, recently published third-quarter figures that show a rise in sales and profits for that period and for the year to date.

Fibronics is a vertically integrated fiberoptic communications company specialising in high-speed, fiberoptic network systems. The company's shares have been traded in the U.S. over-the-counter market since Octo-

ber 1983, and Elron Electronic Industries today holds some 42 per cent of the total equity.

Fibronics reported that earnings in the three-month period ending September 30, 1984, were \$304,947, compared with \$101,868 in the same period of 1983. For the first nine months of 1984, total earnings reached \$672,304, or \$0.22 per share, after \$149,083 (\$0.07 per share) in January-September 1983.

Sales in the third quarter were \$3,177,014, and for the nine month period, \$8,399,196. Equivalent 1983

figures were \$1,336,553 in the third quarter and \$3,180,496 for nine months.

Optrotech, which only made its first public offering in August of this year, announced results that showed a sharp improvement over the previous year. For the quarter, earnings were \$524,494, or \$0.18 per share, and sales reached \$2,823,539. Last year's third quarter showed a profit of \$139,050 on sales of \$906,541.

The first nine months saw Optrotech achieve profits of \$1,317,075 on sales of just over \$7m.

The same period of 1983 saw sales of \$1.35m. with the company registering a loss of \$438,805.

Optrotech produces and markets computerised electro-optical systems, which are used for artificial intelligence products and for artificial vision systems in automatic control programmes.

The company itself ascribes the increased profitability to the increasing market penetration of its Vision X104. This is an improved version of the Vision 104 system, whose sales are steadily growing.

IMF approves Brazil's economic plan

WASHINGTON (Reuter). - The International Monetary Fund (IMF) on Friday approved a package of austerity measures proposed by Brazil for next year, but monetary sources said some small questions remained to be ironed out.

The fund's executive board had been expected to give total approval to the economic reform programme, clearing the way for \$1.87 billion in assistance badly needed by Brazil - the world's most indebted country, with about \$100b. owed.

But the sources said some data was incomplete or presented problems.

The programme, generally approved by IMF managing director Jacques de Larosiere last month,

would set the stage for negotiations between Brazil and its 800 creditor banks.

It is part of tough austerity conditions insisted on by the IMF over three years in return for about \$5.4b. in loans.

Fund officials have praised Brazil in the past for progress made in economic reform, while critics have said the social cost of the IMF-mandated programme was too high.

Banco do Brazil official Carlos Viacava said earlier last week it was now feasible that his country could achieve growth rates next year of five to six per cent, a dramatic reversal from recent years of recession.

He said Brazil would enjoy a \$10b. to \$12b. trade surplus this year.

Uganda suspends foreign exchange deals

KAMPALA (AP). - President Milton Obote has suspended Uganda's foreign exchange transactions for two weeks in order to reassess the country's hard currency auctions, the state radio reported Saturday.

Obote said the action was taken to review the "strengths and weaknesses" of the weekly auctions, which were introduced in August 1982 to provide U.S. dollars for businessmen who might otherwise resort to the black market.

The system, backed by the World Bank and subsidized by foreign aid, initially narrowed the gap between the official and illegal exchange rates.

But the value of the shilling has

dropped sharply. From 210 shillings to the dollar in 1982, it has gone down to 530 at the central bank-run auction.

However, some businessmen say the Ugandan currency's real value is probably closer to 750 to the dollar.

Obote, speaking Friday night at the bank's foreign exchange auction committee, reassured the business community that the shilling's "float" would not be stopped despite the review.

SUDAN. - Foreign companies involved in oil exploration projects in Sudan will resume work in January after a year-long suspension forced by rebel attacks, the Sudan News Agency reported.

NATHAN IN ETHIOPIA

(Continued from Page One)

Some had walked for several days without eating or drinking, Nathan said. Tens of thousands sat waiting for food, and the streets were full of bodies of those who died of starvation. Children had swollen stomachs and sores on their heads. Some suffered from typhoid, Nathan said.

"These people could sit for days without moving, getting up, some of them with children in their laps, too weak even to stretch their hand out for food, when it did come," he said. "Near the post office, where I went to tele. I heard a low, almost inhuman wail. A little girl was lying on the ground, calling out for food. I ran to the jeep and gave her a sandwich," he said.

Nathan arrived at Ala Mate equipped with thousands of dollars' worth

of lollypops "to make the children smile."

This Thursday, Nathan is to leave for Washington to continue negotiations with U.S. aid administrator Peter McPherson over coordinating aid to Ethiopia.

Nathan suggested that some of the aid funds be transferred to Israel and used to purchase urgent medicines and supplies which would then be shipped to Addis Ababa from Eilat, a three-day voyage.

Nathan is also organizing a medical team, headed by Dr. Ya'akov Adler, to go to Ethiopia, and has opened a Discount Bank account, number 988898, for donations from the public for Ethiopian children.

Magen David Adom, at the request of the International Red Cross, last week, launched a fund-raising drive for starving Ethiopians.

TIES WITH EGYPT

(Continued from Page One)

Asher Wallfish adds: One view in Jerusalem is that Mubarak's decision to send an envoy and to make the first move in a dialogue, however limited, expresses the Egyptian president's conclusion that he has gained all he needs from the freeze on relations with Israel.

Having proved to the Arab world that the peace treaty did not prevent Egypt from punishing Israel for its invasion of Lebanon or denying Israel the normal ties it so earnestly sought, Mubarak would now like to encourage agreement between Israel and Lebanon over the withdrawal, according to this view.

This view holds that while Mubarak wants to show his fellow-Arabs that he now heads the thaw in attitudes towards Israel, he also wants to show President Reagan that he is willing to stretch out an amicable hand to Jerusalem.

The dispatch of the envoy and the possible Mubarak-Peres summit are seen in Jerusalem as part of an image-building operation for the Egyptian president, which need not necessarily cost Egypt anything in the way of substantive diplomatic concessions, but which could stamp him as the pacesetter for major trends in the Arab world.

If, as it has been reported, the Egyptian envoy comes to Jerusalem and airs proposals for Taba which Israel will inevitably spurn, such as the stationing of an international

force in the zone, Mubarak would come out of the exercise as the statesman trying to break up the logjam while Peres would be blamed for intransigence.

According to one view in Jerusalem, Mubarak seeks also to prepare the way for a larger aid request to Washington. It is not enough that Israel is already getting a bigger handout; Egypt must prove that it deserves reward and not just equal treatment.

BANGKOK. - Thailand's civilian government has moved to defuse a political crisis over the devaluation of the baht, assuring the powerful military there would be no defence spending cuts.

FOREIGN CURRENCY

INTERBANK SPOT RATES:

US\$	1.2610/1.2620	per \$
DM	2.9445/2.9455	per \$
Dutch G	3.2102/3.2110	per \$
Swiss Fr	2.4120/2.4140	per \$
Belgian Fr	59.50/59.60	per \$
French Fr	9.0200/9.0300	per \$
Italian Lire	1831.00/1833.00	per \$
Yen	240.80/240.90	per \$
Yen	1.0085/1.0095	per SDR

GOLD \$345.80

FORWARD RATES:

\$/S	SW.FRS	DM/\$
1 month	1.2607/3 2.4009/3 2.9349/4	
3 months	1.2607/3 2.4014/4 2.9149/3	
6 months	1.2612/7 2.4104/5 2.9535/5	

Supplied by ISRAEL DISCOUNT BANK LTD.

The Jewish Agency Israel Education Fund of the United Jewish Appeal TENDER NO. 81/53/84

- THE JEWISH AGENCY (hereinafter the Agency) invites tenders from building contractors for the construction of a SCIENCE STUDY CENTRE IN BEERSHEBA WITHIN THE FRAMEWORK OF PROJECT RENEWAL.
- The project construction is 390 sq.m.
- Conditions of the tender as well as all other pertinent information can be obtained from Sunday, November 18, 1984 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 9.00 a.m.-12 noon, against a non-refundable deposit of IS 20,000.
- A special tour of the construction site for contractors will be held on Tuesday, November 20, 1984 at 1.00 p.m. on Wednesday, December 26, 1984 at 10.00 a.m. Contractors registered in accordance with the Act for the execution of Engineering and Architects to abide by requirements of the Act as specified.

It is added that a summit is not to be seen as an end in itself - though its political and psychological ramifications are obviously significant - but as a means to improve the entire spectrum of the Israel-Egypt relationship.

Aides to Peres stressed that they had no expectation of an early summit. At best, they said, such a meeting is months away.

They added that a summit is not to be seen as an end in itself - though its political and psychological ramifications are obviously significant - but as a means to improve the entire spectrum of the Israel-Egypt relationship.

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MONDAY/WEDNESDAY RATES: Minimum of IS 4,784 for 8 words; each additional word IS 588
FRIDAY and HOLIDAY EVE RATES: Minimum of IS 6,256 for 8 words; each additional word IS 782. All rates include VAT. DEADLINES at our offices: Wednesday, Tel Aviv and Haifa: 12 noon, previous day. Friday - 5 p.m. on Wednesday. Tel Aviv and Haifa: 12 noon, 2 days before publication. Ads accepted at offices of The Jerusalem Post (see meshed on back page) and all recognized advertising agencies.

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JERUSALEM
NIRAT MENAHEM, rental, 3 unit, possibility of purchase + furniture. Unlimited lease. Tel. 02-41827.

INSURANCE
LOWEST RATES. Household, business, car insurance. Free quote in English. GOSHEN. Tel. 03-340856.

SITUATIONS WANTED
EDUCATED LADY seeks employment: housekeeper/teach children English. 03-281759.

COUNTRY	CURRENCY	CHEQUES AND TRANSACTIONS	BALENOTES
		PURCHASE, SALE	PURCHASE, SALE
U.S.A.	DOLLAR	1 533.8495 540.5105	539.1200 547.9200
GREAT BRITAIN	STERLING	1 674.7857 683.2053	668.3000 692.5700
GERMANY	MARK	1 181.1862 183.4104	179.5400 185.9200
FRANCE	FRANC	1 59.0280 59.7645	56.4500 60.5800
HOLLAND	GULDEN	1 160.7012 162.7064	159.2700 164.9400
SWITZERLAND	FRANC	1 220.2349 222.9829	218.2800 226.0400
SWEDEN	KRONA	1 62.8723 63.6569	61.5000 64.5300
NORWAY	KRONE	1 62.0178 62.7916	60.6000 63.6500
DENMARK	KRONE	1 50.0796 50.7945	48.9900 51.4000
FINLAND	MARK	1 86.4253 87.5037	84.5400 88.7000
CANADA	DOLLAR	1 404.8301 409.8813	398.0300 415.5000
AUSTRALIA	DOLLAR	1 304.8826 308.6868	295.8500 326.0600
SOUTH AFRICA	RAND	1 89.5119 90.6289	88.0000 90.0000
NEW ZEALAND	DOLLAR	1 257.7768 260.4870	254.9900 264.0600
ITALY	LIRE	1 290.7360 294.3636	275.1900 298.4000
JAPAN	YEN	1 221.5143 224.2782	219.5500 227.3500

COUNTRY	CURRENCY	CHEQUES AND TRANSACTIONS	BALENOTES
		PURCHASE, SALE	PURCHASE, SALE
U.S.A.	DOLLAR	1 533.8495 540.5105	539.1200 547.9200
GREAT BRITAIN	STERLING	1 674.7857 683.2053	668.3000 692.5700
GERMANY	MARK	1 181.1862 183.4104	179.5400 185.9200
FRANCE	FRANC	1 59.0280 59.7645	56.4500 60.5800
HOLLAND	GULDEN	1 160.7012 162.7064	159.2700 164.9400
SWITZERLAND	FRANC	1 220.2349 222.9829	218.2800 226.0400
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Founded in 1932 by GERSHON AGRON, who was Editor until 1955; Editor 1955-1974
TED LURIE, Editor 1974-1975; LEA BEN DOR, EDITORIAL OFFICES AND
ADMINISTRATION The Jerusalem Post Building, Jerusalem P.O. Box 81
(91000) Telephone 528181, Telex 26121. TEL AVIV 11 Rehov Caribach, P.O. Box 20126
(61001) Telephone 242222. HAIFA 16 Rehov Nordau, Hader Haemuel, P.O. Box 4810
(31007) Telephone 045444. Published daily, except Saturday, in Jerusalem, Israel by The
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The Lebanese have time

THE ARREST of Shi'ite terrorist leader Mahmoud Fakhri in Sidon Thursday night was an undoubted coup for Israel's security services. A leading figure in the Amal underground, Fakhri had been sought for several weeks, and his arrest was clearly a serious blow for Shi'ite militants in the area.

However, since Amal leader Nabih Berri is minister in charge of southern Lebanon in the Beirut government, it was to be expected that he would take his revenge by causing a breakup in the Israel-Lebanese military talks just started at Nakoura. This does not mean that the disruption need take very long: a suitable face-saving solution will probably be found that will enable the talks to resume fairly quickly.

The same reasons that brought Israelis and Lebanese to the negotiating table at Nakoura in the first place will bring them back, too.

Israel, for its part, is genuinely seeking a way to leave Lebanon as soon as possible without jeopardizing the security of the Galilee settlements, while Lebanon would ostensibly like to end the "foreign occupation" of southern Lebanon - and in reality is anxious to prevent Israel from leaving unilaterally, thus creating the kind of political and military vacuum that all but rekindled the civil war in Lebanon when the IDF left the Shouf last year.

Yet Lebanon's ambivalence about the talks is likely to cause it to attempt to draw them out as long as possible, seizing on events such as last week's arrests to deliberately impede the proceedings.

Added to Lebanon's ambivalence is that of Syria - the eminence grise at the negotiations, whose ultimate approval is required for the effective implementation of anything agreed upon at Nakoura.

Syria, not unlike Lebanon, is in no great hurry to see Israel depart, for it might lose heavily in the event of political chaos that would undermine the preeminent position it has acquired in Lebanon over the past two and a half years.

What is more, the political prize Syria is demanding - Israel's unconditional withdrawal from Lebanon - does not square with the prize Israel is insisting upon: formally enshrined security arrangements for the northern part of the country. So, unless Israel is prepared to give way on this point, the Syrians will bide their time.

That Israel will willingly play along with the Syrian-Lebanese delaying tactics for any great length of time may be doubted. For Israel does have an alternative: to evacuate the western section of southern Lebanon unilaterally to a line close to the international frontier, leaving the IDF free for once to retaliate against terrorism, and to concentrate the troops in the east so as to block the Syrians.

Citizen Sharon

ARIEL SHARON felt wronged by a report in *Time*, and filed a suit for libel against the news-magazine. The case is now coming to court, in New York, and Mr. Sharon is on hand to testify.

Last week the suggestion was made in the Knesset that, even if Mr. Sharon won, the trial could hurt Israel's cause in the U.S. Mr. Sharon may well disregard such observations. But Mr. Sharon is not content to argue that, as a private citizen, he is entitled to seek personal vindication, and that he must press on with the case, no matter how long it takes.

He also contends, in effect, that his obligations as plaintiff in New York take precedence over his duties as minister of industry and trade in Jerusalem, even at a most critical period in the country's economy. Draping himself, as it were, in the national flag, he presents his own dispute with *Time* over his role in the Sabra and Shatila massacres as a holy campaign by the Jewish people and the State of Israel against a vicious blood libel concocted by "one of the centres of anti-Semitism in the world."

There is, however, no warrant for any such identification of Ariel Sharon with the Jewish people and the State of Israel. That could only be the case if the government were suing and not Sharon in his private capacity.

True, the previous administration, in which he served as minister-without-portfolio, allowed Mr. Sharon to undertake a lecture tour of the U.S. which was to pay his lawyers' fees. It is also true that the present government has not stood in Mr. Sharon's way, and is in fact paying for his, and his wife's, current stay abroad.

But neither government has offered any official sanction to Mr. Sharon's legal initiative.

Mr. Sharon may himself have sensed that there is, at the very least, something inappropriate about his absence from his job as chief price controller under the package deal. That is why he is pretending to be carrying on departmental work even while in New York, and to be in daily touch with ministry officials. But such remote control management would be difficult even in the best of times, and the present time is one of the worst.

Thus Mr. Sharon must be directly held to account for the incredibly erratic course of price controls. This is denied by Justice Minister Moshe Nissim, who is acting industry and trade minister during Mr. Sharon's absence. He has claimed that the principle of collective responsibility (which Mr. Nissim is yet to invoke against his colleague Gideon Patt, who says publicly that the package deal is a prescription for catastrophe) shields any minister from the imputation of individual responsibility. But if this dubious assertion were accepted, it would mean that no minister could ever be blamed for any wrong action or default.

POSTSCRIPTS

PS "I WAS standing in front of the vending machine at Ben-Gurion Airport," says one of our reporters, "annoyed that the machine had taken my shekels but had not provided the promised coffee, when a police officer walked in. He hit the machine a sharp blow with his fist and gave a kick to its lower panel at the same time. The cup dropped into the slot and promptly began to fill with coffee. Smiling, he walked away with the comment, 'just a little police brutality.'"

D.B.S.

PS ONE OF OUR readers in Netanya detected a little sexual harassment in the (post) office the other day when he overheard the following exchange:
Woman tourist: "I'd like some tokens for a telephone call to Rehovot, please."
Clerk: "Well, how many would you like?"
Woman: "How should I know? How many are necessary for a call to Rehovot?"
Clerk: "Well on average, a man needs two...and a woman about 20."

J.R.

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Tax policy in the dock

By CHAIM SADAN

EVERY finance minister approaches his position confident in the assumption that there are at his disposal a number of tools with which he will be able to solve our economic problems. He attributes the failure of his predecessors to their incorrect use of these tools and to their inability to mobilize the different sectors of the economy in a cooperative effort. However, it does not take long for the incumbent to realize that he is in the same predicament as those who preceded him. The problem has been and still is the Treasury's incorrect perception of the nature of Israel's economic problems and the consequent employment of the wrong tools.

What tools does the Treasury rely on? It taxes, it borrows, it alters the foreign currency regulations, it manipulates subsidies, it tries to control the budget, and finally, it resorts to requesting more American aid.

Unfortunately, as we have witnessed over the years, regardless of how the Treasury combines or stresses this or that combination of these tools, it has failed to stop the inflation or halt the growth of the internal and external debt.

American aid is an example of a tool that no longer serves its original purpose. We have reached a level of indebtedness in which new American aid can only assist us in repaying a small part of the old American aid. In this fiscal year Israel must repay \$6 billion in principal and interest. This sum exceeds Israel's industrial exports. Even if America gave us a grant of another billion dollars it would only help to repay a small part of our past debt; it would not, as in the past, help us to expand the economy. Where American aid is concerned, we have reached the end of the road.

AT THIS point the Treasury staff and the media try to place the blame for our national debt on the Israeli consumer. The average citizen is accused of gluttonous consumption. During his recent trip to the U.S. Prime Minister Shimon Peres apologized to the American people for the Israeli consumer. Israel's TV news

reported the number of videos and automobiles purchased as proof of the citizens' responsibility for the foreign deficit. This supposedly convinced policy makers and the public that Draconian measures were in order.

The result - taxes are increased and personal imports are halted. The outcome is a reduction in personal freedom but not a reduction in inflation, nor in our national and international debt. Indeed these measures have aggravated all of the above.

The fact is that one-quarter of all our imports are accounted for by only one item - petroleum, an item we obtained "free" until 1979 when the oil fields of the Suez Gulf were turned over to Egypt. Consumer goods imports including, in addition to automobiles, food, beverages and tobacco, account for less than 15 per cent of Israel's imports. All other imports are basically raw materials for industry and agriculture, much of it for re-export.

By blaming the consumer the Treasury makes a case for increasing taxes. The idea behind this tool is to reduce the public's purportedly excessive purchasing power and at once reduce the government deficit with the expected increased revenue. Here the Treasury has failed to do its homework.

First of all the inflation is not the result of excessive purchasing power; the public held its funds in savings programmes. Prices are rising - in shekel terms - because the currency is being devalued. This is the result of government, not consumer, spending. The so-called inflation is merely an attempt to maintain the real value of our goods and services. (Nor is the government spending, as we shall see, for the public's benefit). Increasing taxes adds to the cost of goods and services which accelerates the inflation it is supposed to combat. Even worse is the effect of taxes on our exports.

Taxes increase our export prices, reducing our competitiveness in the world's markets. This raises havoc with our balance of payments. At this point the Treasury tries to alleviate some of the taxes' negative

effects by increasing subsidies to exporters. This increases the internal deficit, and so on ad infinitum.

Clearly the tax tool is the very thing to be set aside. Taxes should be reduced or eliminated. Today more than one-third of the price of Israeli goods is tax. The Treasury is pricing Israeli goods and services out of the world markets.

An old American adage says "the power to tax is the power to destroy." Indeed, in the U.S., the Congress is now considering legislation that will place a 30 per cent ceiling on American taxes.

A SECOND grave effect of our tax policy is its discouragement of foreign investment in Israel. Only foreign investment can now expand our economic base and permit us to earn the means to repay our national debt. Also discouraging to foreign investment is the incomprehensible regulatory system that requires the permission of some 12 government agencies for any given project.

If taxes and bureaucracy were eliminated Israel would attract billions in equity capital. This assertion is supported by experience; by not taxing foreign bank deposits and cutting all bureaucratic processing Israel has already attracted \$6-7 billion in foreign bank deposits (Fatach) inside the country, and another \$10b. in deposits in Israeli banks abroad. Imagine the effect of the same policy on our industrial base if it were applied to investment.

Clearly the Treasury's present policies are counterproductive. The Treasury sees it as its task to "shrink the economy down to size," to "live within our capabilities" when in fact it should be expanding our capabilities. Only through economic expansion will we reduce inflation and our debts.

Major responsibility for the growing deficits lies not in the government's generosity toward the citizen, whether rich or poor, but in the little publicized fact that the government finances the numerous corporations it owns. More than half of the government's 211 corporations are engaged in regular commerce. Their

Dry Bones



combined gross revenue in 1983 was \$1.6 billion. An indication of their cost to the taxpayer is their combined profit of only \$30 million before taxes. Water, electricity, transportation, and communications government-owned companies lost twice as much as was earned by those companies that were profitable, and that includes all the defence industries.

An example of the dangers in government ownership of commercial enterprise is seen in the agricultural sector. The government-owned export company Agrexco exported only \$170 million in 1983, about one-fifth of our agricultural exports that year. Farmers producing more than their quota, in other words, more than Agrexco could sell, were heavily fined, but Agrexco, which failed to market their output, was not.

Ei Al, another government-owned company, is also partially subsidized by farmers who are overcharged on air freight - a further

inhibition on our agricultural exports.

Clearly there is a pressing need for radical reform of government ownership of commercial enterprises. Here is where the real subsidies are to be found, here is where the government deficit can be reduced without denying services to the public, services well paid for by the world's heaviest tax payers.

Sale of government-owned enterprises would curtail these subsidies, bring in badly needed capital and hard currency, and increase the efficiency of broad sectors of our economy. It is not the small consumer purchasing a video but the government-owned companies that are fuelling the inflation and contributing to our deficits.

The writer served as economic advisor to the U.S. government, and several major American corporations. In Israel, he served as advisor to the ministries of absorption, education and health. He is the author of several books on economic policy.

The violence within

By CHAIM FEDER

boys and in an instant of playful retribution one toothpaste-splattered boy socked another. Play turned to reality and disaster. A boy collapsed and died.

We were all shocked because we all know the general scene, if not, thankfully, the specific results. Our children go on outings; they horse around; they fight; they make up. They do it as we did it. It's part of what being a child is. The fighting releases pent up natural tension.

But this violence is also an instinctive reaction, motivated by the no less instinctive value of "retribution" - the sense of "it isn't fair" and "I'm going to teach you a lesson" we seem to be born with. In this instance the childishness got out of hand - not really anyone's fault - and a child is gone.

A SECOND INCIDENT was shocking and frightening. Bus number 23 from Jerusalem to Hebron proceeded south past the Jaffa Gate into the Valley of Hinnom, and as it headed up toward the Cinematheque and Hebron Road, it was hit by a LAW rocket. The bus was filled with Arab workers, one of whom was killed while 10 others were injured. It was a

calculated act, deliberately meant to "teach a lesson" to Arabs - all of them. Two Jews had been murdered the week before and Arabs had to be reminded that Jewish blood will not go unavenged.

Among the many frightening aspects of the second incident is, after all, that its motivation is still instinctive, is still that sense of retribution. But here, of course, the perpetrator was an adult, not a child. He had introduced reason into his anger and frustration, and violence had become political.

The third incident took place far away, in New Delhi, in a major act of political violence. Indira Gandhi's assassination by Sikh bodyguards shocked the world. It was the second attempt in as many weeks on a leader of world renown - Mrs. Thatcher. This attempt was successful.

The shock, however, was balanced by the knowledge that the assassins were members of a proud, militant minority whose leader had been killed and whose holiest shrine had been attacked and desecrated by Gandhi's soldiers just a few months ago. It was the anger and frustration of the Sikh community which caused Gandhi's assassination. More than a

thousand Sikhs have been killed in retribution since.

In India, retribution - childish, instinctive, powerful - has spilled over into streets, alleyways, homes, trains. It is today a social force of such power that it will either pull India apart again or will have to be put down decisively by the army. In either case thousands may die. Who can know where it will end?

The political and social agony of India has its own history and configuration. It is not a model to be simply applied to other societies, including our own. Nonetheless, in India we can watch time bombs exploding, and we can appreciate that, as the metaphor goes, the fuses were set long ago.

ISRAELI SOCIETY is used to incidents of violence. But these recent events must come as a sobering experience. It must remind us that the urge to violence is part of the makeup of all of us. It must remind us too that there is always some reason for violent retribution by someone against another. It must remind us that anger and frustration in individuals and in groups will ultimately explode in violence. And it must remind us that once un-

leashed, verbally or physically, violence can only be controlled by more violence.

Our society has been on a confrontational path for years, led by too many who have announced that, in effect, "justice is mine," retribution is mine. Groups have too often gotten their way by degrading the ways of others. Our tone has often been shrill, demanding, violent. Hatred and vindictiveness have been pampered and encouraged. Extremism, present and past, has been glorified. This cannot be the way. These are our fuses.

It is possible that we have already lost control and that we are now skidding towards an abyss. In this case there is little to be done. But if it is not too late, then every husband and wife, every father and mother, son and daughter, brother and sister, every Jew and every Arab - all of us - had better take a very close look at ourselves. We'd better stop screaming and pushing and hitting and start being civil one to another. We'd better stop talking vengeance. We'd better start thinking about the other person, his needs and rights, far more often than we do. We'd better start accepting and accommodating. We'd better start communicating. Or else.

The writer is an educational coordinator and teacher at the WZO Youth and Hechaleutz Department.

READERS' LETTERS

EXECUTION

To the Editor of The Jerusalem Post Sir, - In response to Yitzhak Shamir's plea for the death penalty for terrorists against Jews - it seems that Shamir has forgotten the value of "human life" as opposed to Jewish life.

I am fully in favour of executing any terrorist who would take the life of another - as long as that includes terrorists against Arabs. Is firing a rocket into a bus any less brutal than shooting two innocent victims tied to a tree?

Apparently for Shamir it is. Has he forgotten that one of the reasons a Jew is respected is because he has the highest regard for life - all life?

If this is forgotten, I suggest Israel would reap the "justice" it sows, for with the disintegration of values will come an inability to distinguish between any other nation that exists on bias and bigotry. Israel will cease to be a beacon of light and will become instead a harbinger of hate and repression.

BARBARA RESNICK
Tel Aviv.

SWASTIKAS

To the Editor of The Jerusalem Post Sir, - In recent weeks shameful signs representing the Nazi swastika could be seen by all in the Sabatash Square in the Gema quarter, above Bank Hapoalim.

I have sent a letter to Mayor Teddy Kollek on the matter, but so far nothing has been done. I hope The Jerusalem Post joins the fight against extremists who use the worst symbols for their cause.

GILLES LUGASSY
Jerusalem.

LACTOSE FREE

To the Editor of The Jerusalem Post Sir, - Ever since making aliyah in 1968 I have devotedly read The Jerusalem Post daily, finding it invaluable in widening my horizons and keeping informed. Without trying to overstate the value of the last two years, my Kipat Holim physician recommended a biopsy but what was bothering me was simply lactose intolerance.

Approximately 70 per cent of our population suffers from lactose intolerance, and I wonder how many people remain unaware of their predicament and are diagnosed wrongly.

Thanks to Martha Meisels we are able at last to lead a normal and healthy life without anxiety, hospital and wrong medicines. I hope more can be written in The Jerusalem Post about allergies and dietary deficiencies as a service to the people of Israel. Much badly needed space in the hospitals can be saved, as well as lives and money.

Jerusalem. DENNIS LIPKIN

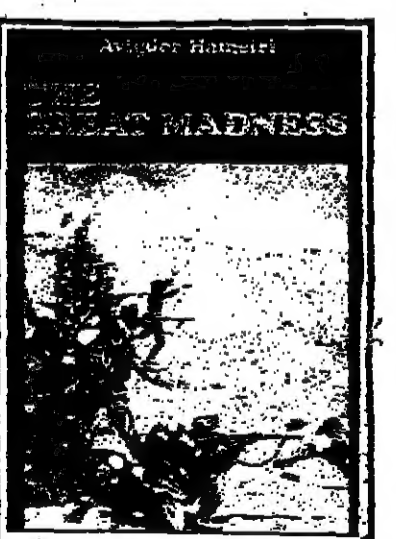
DEFINING FASCISM

To the Editor of The Jerusalem Post Sir, - In his article "Stopping Kahane" of October 31, Labour MK Shevah Weiss states: "There is no longer any doubt that Meir Kahane is a fascist." He does not prove his statement.

May I quote from the "Language" column by William Safire in the International Herald Tribune of October 29? It reads, "Fascist," reported the Associated Press from London, joined the list of words that members may not call each other in the House of Commons."

I am not naive enough to think that Weiss would pay any attention to what they say in the UK. After all, he teaches political science at Haifa and not London University. But wouldn't it be right if in your paper you try to explain what he and many other authors who attack Kahane and other personalities mean by the term "fascist"?

E. MAIDANKI



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